2Q

Allianz Group

Interim Report Second Quarter and First Half Year of 2013

Allianz

Allianz at a glance

		three months ended 30 June			six months ended 30 June			
		2013	2012	Change from previous year	2013	2012	Change from previous year	More details on page
Income statement								
Total revenues[1]	€MN	26,776	25,196	6.3%	58,824	55,249	6.5%	7
Operating profit[2,3,4]	€MN	2,367	2,250	5.2%	5,164	4,583	12.7%	7
Net income[2]	€MN	1,675	1,338	25.2%	3,476	2,789	24.6%	9
thereof: attributable to shareholders[2]	€MN	1,588	1,252	26.8%	3,295	2,629	25.3%	9
Segments[5]								
Property-Casualty								
Gross premiums written	€MN	10,754	10,726	0.3%	25,951	25,523	1.7%	14
Operating profit[4]	€MN	1,179	1,050	12.3%	2,498	2,233	11.9%	16
Combined ratio	%	96.0	97.2	(1.2)%-p	95.1	96.7	(1.6)%-p	16
Life/Health								
Statutory premiums	€MN	14,125	12,861	9.8%	28,962	26,560	9.0%	25
Operating profit[4]	€MN	669	818	(18.2)%	1,524	1,643	(7.2)%	26
Margin on reserves	BPS	58	75	(17)	66	77	(11)	24
Asset Management								
Operating revenues	€MN	1,815	1,497	21.2%	3,726	2,936	26.9%	32
Operating profit[4]	€MN	804	575	39.8%	1,704	1,188	43.4%	33
Cost-income ratio	%	55.7	61.6	(5.9)%-p	54.3	59.5	(5.2)%-p	33
Corporate and Other								
Total revenues	€MN	132	141	(6.4)%	280	296	(5.4)%	–
Operating result[4]	€MN	(274)	(180)	(52.2)%	(513)	(454)	(13.0)%	35
Balance sheet[2,6]								
Total assets	€MN	698,220	694,447	0.5%	698,220	694,447	0.5%	40
Shareholders' equity	€MN	47,866	50,388	(5.0)%	47,866	50,388	(5.0)%	39
Non-controlling interests	€MN	2,558	2,575	(0.7)%	2,558	2,575	(0.7)%	39
Share information								
Basic earnings per share[2]	€	3.50	2.77	26.4%	7.27	5.81	25.1%	120
Diluted earnings per share[2]	€	3.47	2.72	27.6%	7.18	5.78	24.2%	120
Share price as of 30 June[6]	€	112.25	104.80	7.1%	112.25	104.80	7.1%	1
Market capitalization[6]	€MN	51,180	47,784	7.1%	51,180	47,784	7.1%	–
Other data								
Standard & Poor's rating[7]		AA Stable Outlook	AA Negative Outlook	–	AA Stable Outlook	AA Negative Outlook	–	–
Conglomerate solvency ratio[6,8]	%	177	197	(20.0)%-p	177	197	(20.0)%-p	39
Total assets under management[6]	€BN	1,863	1,852	0.6%	1,863	1,852	0.6%	31
thereof: Third-party assets under management[6]	€BN	1,456	1,438	1.3%	1,456	1,438	1.3%	31

1 — Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 — All prior period figures herein and throughout the entire Interim Report Second Quarter and First Half Year of 2013 have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.

3 — As of the first quarter of 2013, all restructuring charges are presented within operating profit. All prior period figures herein and throughout the entire Interim Report Second Quarter and First Half Year of 2013 have been adjusted to conform to the current accounting presentation.

4 — The Allianz Group uses operating profit as a key financial indicator to assess the performance of its business segments and the Group as a whole.

5 — The Allianz Group operates and manages its activities through four segments: Property-Casualty, Life/Health, Asset Management and Corporate and Other. For further information, please refer to note 4 to the condensed consolidated interim financial statements.

6 — 2012 figures as of 31 December 2012.

7 — Insurer financial strength rating, outlook changed on 20 March 2013.

8 — Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 June 2013 would be 168% (31 December 2012: 188%). The conglomerate solvency ratio decreased by approximately 16 percentage points as of 1 January 2013 due to amendments to IAS 19.

▸ To go directly to any chapter, simply click on the headline or the page number

All references to chapters, pages, notes to the condensed consolidated interim financial statements, internet pages, etc. within this report are also linked.

Content

Allianz Share

DEVELOPMENT OF THE ALLIANZ SHARE PRICE VERSUS EURO STOXX 50 AND STOXX EUROPE 600 INSURANCE 02

indexed to the Allianz share price in €

■ Allianz ■ STOXX Europe 600 Insurance ■ EURO STOXX 50
Source: Thomson Reuters Datastream

Allianz Share price:
6M 2013 High: €121.80 31 December 2012: €104.80
6M 2013 Low: €101.75 30 June 2013: €112.25

BASIC SHARE INFORMATION 03

Security codes	WKN 840 400
	ISIN DE 000 840 400 5
Bloomberg	ALV GR
Reuters	0#ALVG.DEU

Multi-channel reporting

Download as PDF

www.allianz.com/interim-report

www.allianz.com/zwischenbericht

iPad[1]

1 — You can also scan the QR code to go directly to the specific Allianz App you wish to download from the Apple App Store.

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Decide for yourself how you want to be kept up to date. With our corporate website allianz.com, two iPad apps, an iPhone app and the mobile website m.allianz.com, our IR information is easily accessible wherever you are and whatever device you are working on.

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On the IR website, you can find all the latest press releases, presentations, and quarterly and annual comparisons at a glance. You can also find audio and video recordings of press and analysts' conferences, as well as video interviews with our Board of Management members.

www.allianz.com/results

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Important dates for shareholders and analysts
see financial calendar (back cover)

INTERIM GROUP MANAGEMENT REPORT

Pages **3–50**

A

Interim Group Management Report

Executive Summary

SECOND QUARTER 2013

– Revenues grew by 6.3% to €26.8 BN.
– Operating profit at €2,367 MN, up 5.2%.
– Net income rose by 25.2% to €1,675 MN.
– Solvency ratio at 177%.[1]

Segment overview

Allianz SE and its subsidiaries (the Allianz Group) have operations in over 70 countries. The Group's results are reported by business segment: Property-Casualty insurance, Life/Health insurance, Asset Management and Corporate and Other activities.

Earnings summary

Total revenues increased 6.3% to €26.8 BN, driven by robust revenue growth in our Life/Health and Asset Management businesses. Property-Casualty revenues were stable. On an internal basis[2], revenues rose by 6.5%.

Operating profit grew by 5.2% to €2,367 MN thanks to a strong increase in our Asset Management and Property-Casualty business performance. Our Life/Health operating profit was solid but decreased due to a lower investment result and higher deferred acquisition expenses.

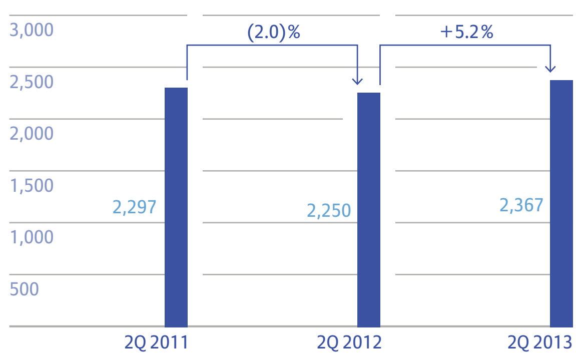
Net income amounted to €1,675 MN, benefiting from strong growth in operating profit, a positive non-operating result and a lower effective tax rate.

Our **solvency ratio** fell by 20 percentage points to 177%[1] compared to year-end 2012. Excluding the negative impact of a change in the accounting for pensions, our solvency ratio would have decreased by 4 percentage points over the year-end figure.

Operating profit +5.2%

OPERATING PROFIT ALLIANZ GROUP A 01

€ MN



Key figures

KEY FIGURES ALLIANZ GROUP A 02

€ MN three months ended 30 June	2013	2012	2011
Total revenues	26,776	25,196	24,574
Operating profit[3,4]	2,367	2,250	2,297
Net income[3]	1,675	1,338	1,094
Solvency ratio[1,5]	177%	197%	179%

1 — Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 June 2013 would be 168% (31 December 2012: 188%; 31 December 2011: 170%). The conglomerate solvency ratio decreased by approximately 16 percentage points as of 1 January 2013 due to amendments to IAS 19.

2 — Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 48 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

3 — Previous period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.

4 — As of the first quarter of 2013, all restructuring charges are presented within operating profit and all previous periods have been adjusted to conform to the current accounting presentation.

5 — 2012 and 2011 solvency figures as of 31 December 2012 and 2011, respectively.

Earnings Summary

ECONOMIC AND INDUSTRY ENVIRONMENT IN THE SECOND QUARTER OF 2013

In the latter half of the second quarter of 2013, a strong increase in the volatility and sensitivity in the financial markets pushed positive indicators signaling a stabilization of the Eurozone economy into the background. Growing fears that the Federal Reserve might start to exit from quantitative easing sooner rather than later led to a sharp increase in yields on U.S. and German government bonds and widening spreads on both government bonds from the Eurozone periphery and A-rated U.S. and European corporate bonds. This put pressure on the insurance industry's balance sheet and earnings. The rise in interest rates in key markets fueled a high level of asset redemptions, especially in fixed income. While U.S. equity markets showed slightly more positive performance, European markets were negatively affected. In addition, capital flows to emerging economies saw significant declines, which – coupled with fundamental changes in Japan's monetary policy – led to weakening markets and softening currencies in emerging countries.

Despite the rise in interest rates, which is generally positive for the insurance industry, the levels of key yields at the end of the second quarter of 2013 were still remarkably low in historical terms and therefore the low interest rate environment continued to present its challenges.

After several quarters with relatively benign conditions, the second quarter of 2013 saw an increased impact from natural catastrophes, with Canada and in particular Europe struck by severe floods and thunderstorms.

MANAGEMENT'S ASSESSMENT OF SECOND QUARTER 2013 RESULTS

We recorded *total revenues* of €26.8 BN. This was driven by a return to strong growth in our Life/Health business and continued strong growth in Asset Management. In addition, we experienced stable revenues in our Property-Casualty business. On an internal basis, revenues rose by 6.5%.

Our *operating profit* increased 5.2% to €2,367 MN. Asset Management again contributed strongly, driven by the increase in revenues and our operational efficiency while our Property-Casualty segment benefited from an improved underwriting result. Life/Health operating profit was negatively impacted by the effects of market volatility on our investment result and higher deferred acquisition expenses. The operating result from the Corporate and Other segment worsened, driven by a higher loss in Holding & Treasury.

Net income increased 25.2% to €1,675 MN, reflecting our solid operating performance, a higher non-operating result as well as a 3.3 percentage point decrease in the effective tax rate.

Shareholders' equity amounted to €47,866 MN as of 30 June 2013, a decrease of €2,522 MN compared to 31 December 2012 (as restated). This fall was largely driven by lower unrealized gains on debt securities. The conglomerate solvency ratio was down 20 percentage points to 177%. This decrease was mainly due to the decline in shareholder's equity as of 1 January 2013 as a result of the retrospective application of the amendments to IAS 19.[1] Excluding this impact, our solvency ratio would have decreased by 4 percentage points over the year-end figure driven primarily by the redemption of a subordinated bond.

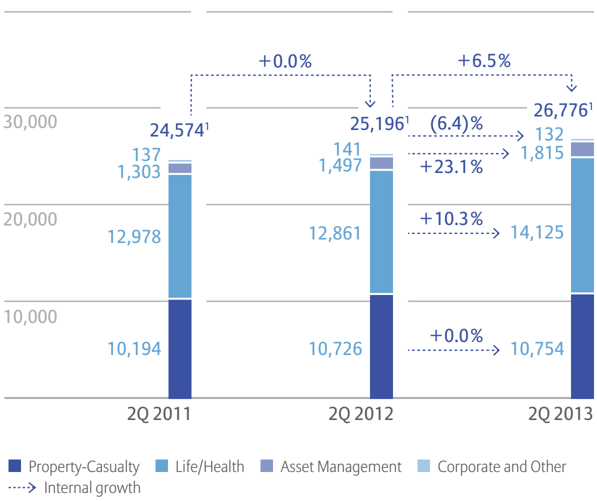
1 — In contrast to the reported IFRS figures, the conglomerate solvency figures have not been restated for the previous reporting year(s). For further details on the amendments to IAS 19, please refer to note 2 to the condensed consolidated interim financial statements.

Total revenues[1]

2013 TO 2012 SECOND QUARTER COMPARISON

TOTAL REVENUES — SEGMENTS A 03

€ MN



1 — Total revenues include €(50) MN, €(29) MN and €(38) MN from consolidation for 2Q 2013, 2012 and 2011, respectively.

Property-Casualty gross premiums written grew to €10,754 MN. On an internal basis, gross premiums were stable as the positive price effect of 0.8% was entirely offset by the negative volume effect. However, we experienced growth in our subsidiaries in Turkey, Latin America and Australia which partly offset declines at AGCS and in the United States. Excluding the decline due to the expected reduction in our U.S. crop business, our internal growth amounted to 2.3%.

Life/Health statutory premiums grew by 10.3% to €14,125 MN, on an internal basis. This increase was driven by strong unit-linked sales, predominantly in single premium products.

Asset Management generated internal revenue growth of 23.1%, largely benefiting from the increase in net fee and commission income, which was driven by strong growth in average assets under management and higher margins. As of 30 June 2013, we had total assets under management of €1,863 BN. Third-party net flows were positive at €7 BN in the second quarter of 2013.

2013 TO 2012 FIRST HALF YEAR COMPARISON

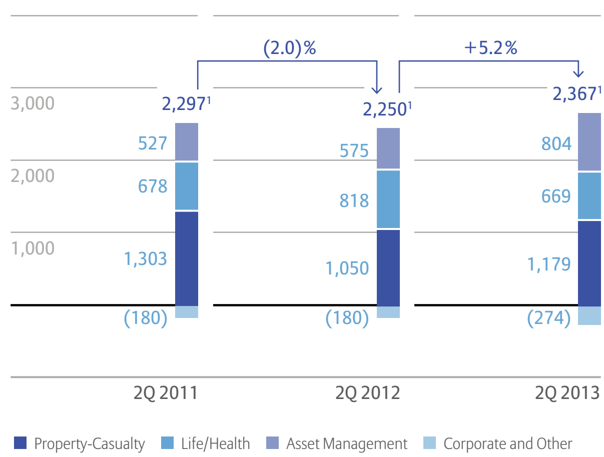
We generated total revenues of €58,824 MN, up 6.5% compared to the first half year of 2012. On an internal basis, revenues rose by 6.3%.

Operating profit

2013 TO 2012 SECOND QUARTER COMPARISON

OPERATING PROFIT — SEGMENTS A 04

€ MN



1 — Total operating profit includes €(11) MN, €(13) MN and €(31) MN from consolidation in 2Q 2013, 2012 and 2011, respectively.

Operating profit from our *Property-Casualty* business increased by €129 MN to €1,179 MN. This was driven by our strong underwriting result, which grew by €123 MN to €357 MN, benefiting from an improvement in our claims development and continued positive price momentum. The combined ratio improved by 1.2 percentage points to 96.0%.

1 — Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

Life/Health operating profit was solid, but decreased by €149 MN to €669 MN. This was due to a lower investment result and higher deferred acquisition expenses.

Our *Asset Management* segment achieved a strong operating profit of €804 MN, up 39.8%, supported by an increase in revenues, our operational efficiency and a decline in restructuring charges. Excluding restructuring charges, our cost-income ratio improved by 1.9 percentage points to 55.6%.

Corporate and Other operating loss worsened by €94 MN to a loss of €274 MN. This was mainly driven by a higher loss in Holding & Treasury, where we had higher pension costs and new Group IT projects.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Operating profit increased by €581 MN to €5,164 MN supported by strong growth in our Asset Management and Property-Casualty business. The Life/Health contribution remained strong, but was impacted by ongoing market volatility and low interest rate levels.

Non-operating result

2013 TO 2012 SECOND QUARTER COMPARISON

Our *non-operating result* improved by €283 MN to a profit of €132 MN. This was due to the better *non-operating investment result,* largely as a result of lower impairments and, to a lesser extent, higher realizations.

Non-operating income from financial assets and liabilities carried at fair value through income (net) fell by €21 MN to €7 MN including various offsetting effects from derivatives and hedging related activities.

Non-operating realized gains and losses (net) rose by €88 MN to €458 MN mainly driven by higher realizations on equities (up by €94 MN). Of this increase, €90 MN was due to realized gains on the disposal of The Hartford shares.

Non-operating impairments of investments (net) dropped from €207 MN to €64 MN because of lower impairments on equities. In the second quarter of 2012, we recorded higher impairments on our equity investments in the financial sector resulting from unfavorable equity market developments.

Non-operating interest expenses from external debt were down by €18 MN to €233 MN. Due to the lower interest rate environment, bonds issued since the second quarter of 2012 have a lower yield than those subsequently matured or redeemed.

Non-operating income from fully consolidated private and equity investments (net) improved from a loss of €47 MN to a loss of €4 MN, mainly due to a consolidation effect in the second quarter of 2012 related to a private equity participation.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Our *non-operating result* improved by €252 MN to a profit of €13 MN, reflecting the improvement in our non-operating investment result. The half year comparison benefited from lower impairments on equity investments than in the first six months of 2012.

Income taxes

2013 TO 2012 SECOND QUARTER COMPARISON

Income tax expenses rose by €63 MN to €824 MN. This was primarily driven by the higher pre-tax income partly offset by the positive effect of an improved effective tax rate. Compared to the second quarter of last year, when non tax-deductible impairments and previous year taxes led to a rate of 36.3%, the effective tax rate improved by 3.3 percentage points in the current quarter.

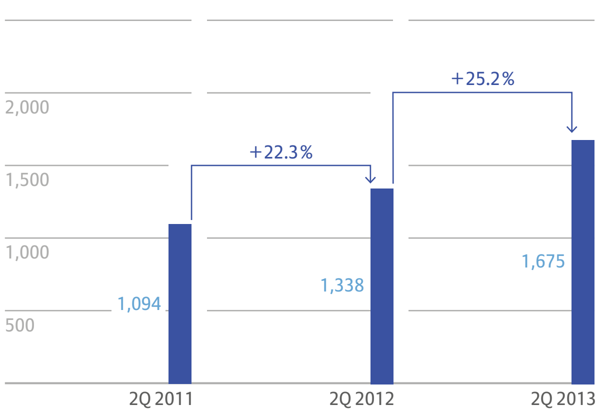
2013 TO 2012 FIRST HALF YEAR COMPARISON

Income taxes were up by €146 MN to €1,701 MN for the first six months of 2013. The increase was primarily because of higher pre-tax income. The effective tax rate improved to 32.9% (6M 2012: 35.8%) due to the effect of previous year taxes and a higher tax charge from non-tax effective losses in the first half of 2012.

Net income

NET INCOME A 05

€ MN



2013 TO 2012 SECOND QUARTER COMPARISON

Due to our strong operational performance, an improved non-operating investment result – which benefited from lower impairments – and a lower effective tax rate our *net income* increased from €1,338 MN to €1,675 MN. *Net income attributable to shareholders* and *non-controlling interests* amounted to €1,588 MN (2Q 2012: €1,252 MN) and €87 MN (2Q 2012: €86 MN), respectively. The net income attributable to non-controlling interests related mainly to Euler Hermes and PIMCO.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Our *net income* rose from €2,789 MN to €3,476 MN. This was driven by our strong operational performance and improved non-operating investment result which – relative to the previous half year – was less burdened by impairments. *Net income attributable to shareholders* and *non-controlling interests* amounted to €3,295 MN (6M 2012: €2,629 MN) and €181 MN (6M 2012: €160 MN), respectively.

TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT TO NET INCOME A 06

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Total revenues[1]	**26,776**	**25,196**	**58,824**	**55,249**
Premiums earned (net)	16,291	15,800	32,963	32,242
Operating investment result				
Interest and similar income	5,412	5,488	10,579	10,620
Operating income from financial assets and liabilities carried at fair value through income (net)	(707)	(212)	(928)	(346)
Operating realized gains/losses (net)	733	745	1,612	1,817
Interest expenses, excluding interest expenses from external debt	(102)	(117)	(212)	(240)
Operating impairments of investments (net)	(118)	(215)	(181)	(280)
Investment expenses	(217)	(216)	(425)	(413)
Subtotal	**5,001**	**5,473**	**10,445**	**11,158**
Fee and commission income	2,679	2,285	5,433	4,430
Other income	42	58	102	109
Claims and insurance benefits incurred (net)	(11,972)	(11,689)	(23,610)	(23,680)
Change in reserves for insurance and investment contracts (net)[2]	(3,071)	(3,551)	(7,170)	(7,358)
Loan loss provisions	(15)	(42)	(29)	(88)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(5,786)	(5,237)	(11,250)	(10,679)
Fee and commission expenses	(788)	(686)	(1,566)	(1,370)
Restructuring charges	(6)	(139)	(100)	(147)
Other expenses	(8)	(25)	(54)	(44)
Reclassification of tax benefits	–	3	–	10
Operating profit	**2,367**	**2,250**	**5,164**	**4,583**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	7	28	3	256
Non-operating realized gains/losses (net)	458	370	725	486
Non-operating impairments of investments (net)	(64)	(207)	(135)	(330)
Subtotal	**401**	**191**	**593**	**412**
Income from fully consolidated private equity investments (net)	(4)	(47)	(8)	(53)
Interest expenses from external debt	(233)	(251)	(474)	(510)
Acquisition-related expenses	(16)	(10)	(41)	(22)
Amortization of intangible assets	(16)	(31)	(57)	(56)
Reclassification of tax benefits	–	(3)	–	(10)
Non-operating items	**132**	**(151)**	**13**	**(239)**
Income before income taxes	**2,499**	**2,099**	**5,177**	**4,344**
Income taxes	(824)	(761)	(1,701)	(1,555)
Net income	**1,675**	**1,338**	**3,476**	**2,789**
Net income attributable to:				
Non-controlling interests	87	86	181	160
Shareholders	1,588	1,252	3,295	2,629
Basic earnings per share in €	3.50	2.77	7.27	5.81
Diluted earnings per share in €	3.47	2.72	7.18	5.78

1 — Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 — For the three months ended 30 June 2013 expenses for premium refunds (net) in Property-Casualty of €(37) MN (2012: €(25) MN) are included. For the six months ended 30 June 2013, expenses for premium refunds (net) in Property-Casualty of €(100) MN (2012: €(51) MN) are included.

Risk Management

Risk management is an integral part of our business and supports our value-based management. For further information we refer you to the Risk Report in our 2012 Annual Report. The Allianz Group's management feels comfortable with the Group's overall risk profile and has confidence in the effectiveness of its risk management framework to meet the challenges of a rapidly changing environment as well as day-to-day business needs. The risk profile described in the latest Risk Report remains unchanged. However, Allianz continues to be exposed to two external forces that adversely affect our risk profile and would not normally be associated with our core operating activities: the European sovereign debt crisis and regulatory developments – especially the European solvency directive, Solvency II.

THE EUROPEAN SOVEREIGN DEBT CRISIS

Overall conditions continued to improve in the Eurozone, supported by the approval of the loan extension granted to Ireland and Portugal and the Cypriot parliament's approval of the E.U. bailout deal. However, low interest rates and market volatility may continue to negatively impact Allianz's risk profile through our business development, asset values and the value of our liabilities.

There has been a significant easing of the European sovereign debt crisis and markets have regained momentum. However, some underlying issues of the Eurozone sovereigns remain unsolved and the crisis may re-surface again. The fragmentation of the Eurozone credit markets continues to be a key focus. European cooperation and alignment on bank resolution powers and the creation of a banking union also remain high on the E.U. agenda.

Even though long-term yields of major Eurozone sovereigns were converging during the second quarter of 2013, European credit markets continue to remain volatile due to uncertainties about future central bank policies affecting especially the riskier part of the credit spectrum. The European Central Bank provided forward guidance in the first days of July by committing itself to maintain low interest rates for an extended period of time. This should contribute to the further stabilization of the Eurozone.

Looking ahead, our robust action plan to deal with the Euro crisis has bolstered our financial and operational resilience to strong shock scenarios. Continuous monitoring remains a priority to ensure the effectiveness of our contingency measures.

REGULATORY DEVELOPMENTS

Although details of future regulatory requirements – especially Solvency II and those defining systemically relevant financial institutions – are becoming clearer, the final rules are still evolving. As well as leading to delays in the introduction of the Solvency II framework, the lack of final rules for both these regulations creates uncertainties for our business and for Allianz's ultimate capital requirements.

In addition, due to the market value balance sheet approach, the Solvency II regime is expected to lead to higher volatility in regulatory capital requirements compared to Solvency I, specifically with regard to long-term asset accumulation and savings products in the life insurance segment. Therefore, it is likely that product design, investment strategies and hedging programs will need to be adapted throughout the industry to mitigate this volatility.

Events after the balance sheet date

ALLIANZ CLOSES YAPI KREDI TRANSACTION IN TURKEY

On 12 July 2013, Allianz completed the acquisition of Yapi Kredi Sigorta. For further information on the acquisition and the related mandatory tender offer, please refer to note 3 to the condensed consolidated interim financial statements.

HAILSTORM ANDREAS IN GERMANY

At the end of July 2013, hailstorm Andreas caused severe damage in some parts of Germany. As of today, the Allianz Group expects losses of approximately €200 MN.

Other information

BUSINESS OPERATIONS AND GROUP STRUCTURE

The Allianz Group's business operations and structure are described in the Business Operations and Markets chapter starting on page 93 of our Annual Report 2012.

STRATEGY

The Allianz Group's strategy is described in the Our Strategy chapter starting on page 106 of our Annual Report 2012. There have been no material changes to our Group strategy since.

PRODUCTS, SERVICES AND SALES CHANNELS

For an overview of the products and services offered by the Allianz Group, as well as sales channels, please refer to the Business Operations and Markets chapter starting on page 93 of our Annual Report 2012. Information on our brand can also be found in the Our Progress in Sustainable Development chapter on page 110 of our Annual Report 2012.

Allianz introduced two new products for the German market in the second quarter of 2013:

As a part of our new modular product range for private customers in the Property-Casualty segment, we introduced PrivatSchutz (Allianz Personal Cover). This product includes modular rates for liability, household, residential buildings and legal expenses insurance.

In the Life/Health segment we launched the Perspektive (Perspective) product to supplement traditional pension insurance. The Perspektive product balances the combination of reduced guarantees with higher expected returns for the policyholder resulting in lower capital requirements for the shareholder.

Property-Casualty Insurance Operations

SECOND QUARTER 2013

- Gross premiums written were stable at €10.8 BN.
- Operating profit grew by 12.3% to €1,179 MN, benefiting from a strong underwriting result.
- Combined ratio at 96.0%.

Segment overview

Our Property-Casualty business offers a wide range of products and services for both private and corporate clients. Our offerings cover many insurance classes such as accident/disability, property, general liability and motor. We conduct business worldwide in more than 50 countries. We are also a global leader in travel insurance, assistance services and credit insurance. We distribute our products via a broad network of agents, brokers, banks and other strategic partners, as well as through direct channels.

Earnings summary

Gross premiums written were up 0.3% to €10.8 BN, supported by growth in Turkey, Latin America and Australia. On an internal basis[1], gross premiums were stable. Excluding the decline due to the expected reduction in our U.S. crop business, our internal growth amounted to 2.3%.

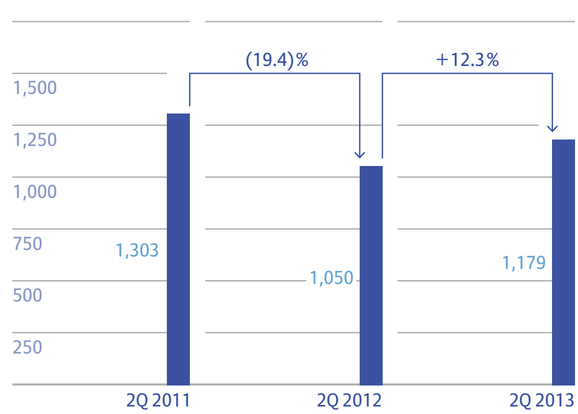
Our **operating profit** grew by 12.3% to €1,179 MN. The underwriting result increased by €123 MN to €357 MN. This was mainly due to an improvement in our claims ratio and the positive price environment. Our investment income decreased by €77 MN to €784 MN substantially offsetting the benefit of lower restructuring charges.

The **combined ratio** decreased 1.2 percentage points to 96.0% in the second quarter of 2013 largely supported by the improvement in the underlying accident year loss ratio.

Operating profit +12.3%

OPERATING PROFIT PROPERTY-CASUALTY A 07

€ MN



Key figures

KEY FIGURES PROPERTY-CASUALTY A 08

€ MN three months ended 30 June	2013	2012	2011
Gross premiums written	10,754	10,726	10,194
Operating profit[2,3]	1,179	1,050	1,303
Loss ratio in %	67.3	69.4	67.0
Expense ratio in %	28.7	27.8	27.9
Combined ratio[2] in %	96.0	97.2	94.9

1 — Gross premiums written adjusted for foreign currency translation and (de-)consolidation effects.
2 — Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.
3 — As of the first quarter of 2013, all restructuring charges are presented within operating profit and all prior periods have been adjusted to conform to the current accounting presentation.

Gross premiums written[1]

2013 TO 2012 SECOND QUARTER COMPARISON

Gross premiums written were stable as the positive price effect of 0.8% was entirely offset by the negative volume effect. However, we experienced growth in our subsidiaries in Turkey, Latin America and Australia which partly compensated for declines at AGCS and in the United States. Excluding the decline due to the expected reduction in our U.S. crop business, our internal growth amounted to 2.3%.

On a nominal basis, we recorded gross premiums written of €10,754 MN, up 0.3%. Consolidation/deconsolidation effects amounted to €178 MN. Unfavorable foreign currency translation effects accounted for €147 MN, mainly due to the depreciation of the Brazilian Real, the Australian Dollar and the British Pound against the Euro.[2]

Analyzing internal premium growth in terms of price and volume, we use four clusters based on 2Q 2013 internal growth over 2Q 2012:

Cluster 1:
Overall growth – both price and volume effects are positive.

Cluster 2:
Overall growth – either price or volume effects are positive.

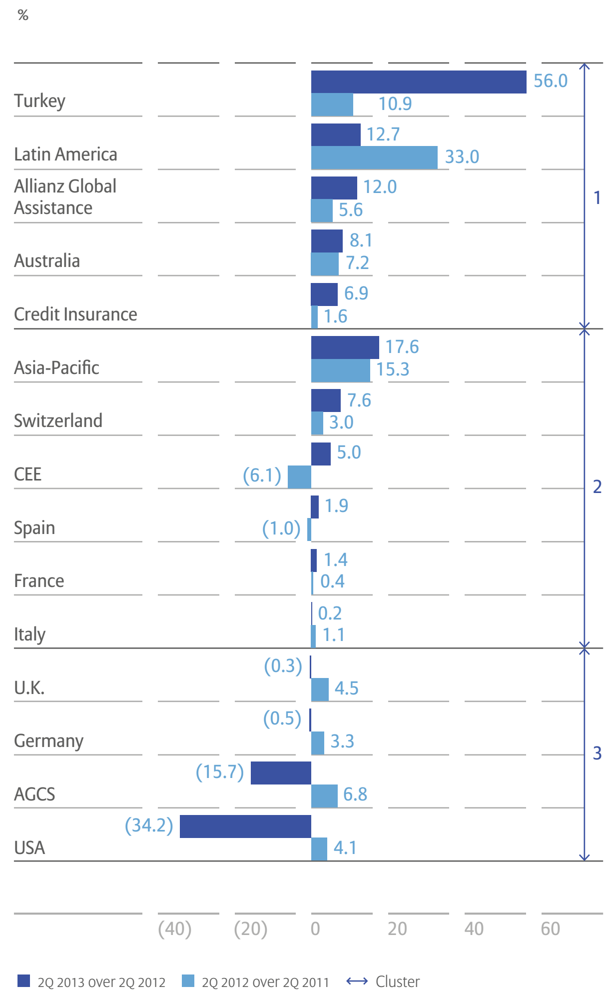
Cluster 3:
Overall decline – either price or volume effects are positive.

Cluster 4:
Overall decline – both price and volume effects are negative.

Cluster 4 is not shown in this quarter as none of our operating entities represented here recorded both negative price and volume effects.

1 — We comment on the development of our gross premiums written on an internal basis, meaning adjusted for foreign currency translation and (de-)consolidation effects in order to provide more comparable information.
2 — Based on the quarterly average exchange rates in 2013 compared to 2012.

GROSS PREMIUMS WRITTEN BY OPERATING ENTITY – INTERNAL GROWTH RATES[1] A 09



1 — Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.

CLUSTER 1

In *Turkey* gross premiums climbed to €225 MN. Our internal growth of 56.0% largely stemmed from our motor business through tied agents.

In *Latin America* gross premiums increased to €630 MN. On an internal basis we grew by 12.7%, driven by a strong contribution from our motor business in Brazil and growth in Argentina.

In *Allianz Global Assistance* gross premiums grew to €483 MN, up 12.0% on an internal basis. We experienced positive price and volume increases mainly in our Brazilian, U.S. and German business.

In *Australia* gross premiums rose to €767 MN. On an internal basis we grew by 8.1%, benefiting from new customers in our motor lines and price increases in our retail and motor business.

In our *Credit Insurance* business, we recorded gross premiums of €539 MN. On an internal basis gross premiums grew by 6.9%, supported by volume increases in growth markets. Overall, the price effect was slightly positive.

CLUSTER 2

In *Asia-Pacific* gross premiums amounted to €174 MN. The internal growth of 17.6% was driven by strong growth in our Malaysian motor business. The overall price effect was slightly negative.

In *Switzerland* gross premiums increased to €151 MN. The internal growth of 7.6% was driven by a volume rise in our motor business. This was partly offset by a negative price effect.

In *Central and Eastern Europe* we recorded gross premiums of €582 MN. On an internal basis, gross premiums rose by 5.0% – largely due to strong volume growth in our motor and health business in Russia. The overall price effect was negative.

In *Spain* gross premiums were up 1.9% to €486 MN benefiting from volume growth in our motor and non-motor business. Due to difficult market conditions, prices declined in our motor and commercial lines.

In *France* gross premiums grew to €894 MN, up 1.4% on an internal basis. This growth was due to price increases in most lines of business which more than offset volume losses.

In *Italy* gross premiums slightly increased by 0.2% to €1,034 MN. This was mainly because of price increases in our motor business.

CLUSTER 3

In the *United Kingdom* gross premiums decreased to €576 MN, down by 0.3% on an internal basis. The decline in gross premiums was mainly due to lower prices in our motor business through our broker and direct channels.

In *Germany* gross premiums decreased to €1,669 MN. On an internal basis, gross premiums declined by 0.5%. This was mainly due to volume decreases in our non-motor business which could not be offset by tariff increases in our motor and property business.

At *AGCS* we recorded gross premiums of €1,237 MN, down by 15.7% on an internal basis. This was mainly due to volume effects in our Allianz Risk Transfer (ART) business. Price decreases in our aviation business entirely offset price increases in our property and marine lines.

In the *United States* gross premiums amounted to €520 MN, down by 34.2% on an internal basis. This decrease was largely due to the expected reduction in our crop business and, to a lesser extent, to volume declines in our commercial lines which were impacted by our strict underwriting discipline. The price effect was positive due to strong price increases in our commercial lines.

2013 TO 2012 FIRST HALF YEAR COMPARISON

On an internal basis, *gross premiums written* increased by 0.7%. This was comprised of a positive price effect of 1.0% and a negative volume effect of 0.3%. On a nominal basis, gross premiums grew by 1.7% to €25,951 MN. Excluding the decline due to the reduction in our U.S. crop business, our internal growth amounted to 2.3%.

Operating profit

OPERATING PROFIT A 10

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Underwriting result	357	234	897	567
Operating investment income	784	861	1,547	1,700
Other result[1]	38	(45)	54	(34)
Operating profit	**1,179**	**1,050**	**2,498**	**2,233**

1 — Consists of fee and commission income/expenses, other income/expenses and restructuring charges.

We analyze the operating profit in the Property-Casualty segment in terms of underwriting result, operating investment income and other result[1].

2013 TO 2012 SECOND QUARTER COMPARISON

Operating profit increased by €129 MN to €1,179 MN driven by an improved underwriting result.

Our *underwriting result* grew by €123 MN to €357 MN benefiting from an improvement in our underlying claims development (accident year loss ratio excluding natural catastrophes) and continued positive price momentum. This was slightly offset by higher expenses.

The *combined ratio* improved by 1.2 percentage points to 96.0%.

1 — Consists of fee and commission income/expenses, other income/expenses and restructuring charges.

UNDERWRITING RESULT A 11

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Premiums earned (net)	10,379	10,266	20,691	20,347
Accident year claims	(7,579)	(7,340)	(14,543)	(14,486)
Previous year claims (run-off)	595	221	746	485
Claims and insurance benefits incurred (net)	(6,984)	(7,119)	(13,797)	(14,001)
Acquisition and administrative expenses (net)	(2,976)	(2,862)	(5,885)	(5,674)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds)[1]	(62)	(51)	(112)	(105)
Underwriting result	**357**	**234**	**897**	**567**

1 — Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 29 to the condensed consolidated interim financial statements.

Our *accident year loss ratio* was 73.0%, up 1.5 percentage points compared to the previous year. This was driven by higher natural catastrophe losses which more than offset the benefit of lower underlying losses. Due to a rather active second quarter in 2013, compared to the second quarter of 2012 which was relatively benign, our net losses from natural catastrophes increased by €375 MN to €549 MN. The impact from natural catastrophes grew by 3.6 percentage points to 5.3%. The most significant natural catastrophes were the floods in Central and Eastern Europe (Frederik) with net claims of €329 MN.

Excluding natural catastrophes, our accident year loss ratio was 67.7%, a 2.1 percentage point improvement compared to the second quarter of 2012. Favorable developments in these underlying losses were recorded across the portfolio in all our core markets. This was due to a positive price momentum and a reduction in claims frequency/severity.

The following operations contributed positively to the development of our accident year loss ratio:

Italy: 0.7 percentage points. This was driven by an ongoing low frequency environment, stable average premiums and lower impacts from claims in our motor third party liability. We also benefited from favorable weather conditions compared to the second quarter of 2012, which was further impacted by the earthquake in Emilia Romagna.

USA: 0.6 percentage points. This improvement was driven by the positive development in our commercial accident year loss ratio following both price and loss-related initiatives, lower natural catastrophe losses and a reduced share of crop business.

Credit: 0.5 percentage points. This resulted from a growth in premiums and a better claims experience, including fewer large losses.

The following operations contributed negatively to the development of our accident year loss ratio:

Germany: 2.2 percentage points. The negative impact was driven by a higher burden from natural catastrophes which more than offset the benefit of lower underlying losses. In the second quarter of 2013, we were affected by the Frederik flood and the Manni/Norbert storm, while in the second quarter of 2012 we recorded claims from the Lisa storm.

Reinsurance: 0.8 percentage points. This increase was attributable to higher losses in our catastrophe lines of business, which were particularly impacted by the Frederik flood and the Manni/Norbert storm.

Central and Eastern Europe: 0.3 percentage points. This mainly resulted from a higher level of natural catastrophe claims at our operations in the Czech Republic and higher weather related claims in Poland and Slovakia along with an increase in motor severity in Russia.

Switzerland: 0.3 percentage points. This increase was mainly driven by natural catastrophe and large claims, which more than offset the positive impact from improvements in the underlying loss ratio.

Our *run-off result* grew by €374 MN to €595 MN, which led to a favorable development of 3.6 percentage points in the run-off ratio. This benefited from the absence of some negative effects reported in the second quarter of 2012 including: an increase in the estimated ultimate loss for the 2011 Thailand floods of €120 MN and €89 MN of reserve strengthening in the United States.

In the second quarter of 2013, total expenses stood at €2,976 MN, compared to €2,862 MN in the second quarter of 2012. Our *expense ratio* increased by 0.9 percentage points to 28.7%. The vast majority of this increase includes the impact of regulatory changes at our business in Brazil (policy collection fee), structural changes in our portfolio in the United States (reduced crop business), the acquisition of the Gan Eurocourtage business in France (distribution exclusively via brokers carrying higher acquisition costs) and the decrease in the premium base at AGCS.

OPERATING INVESTMENT INCOME[1] A 12

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Interest and similar income (net of interest expenses)	925	965	1,797	1,893
Operating income from financial assets and liabilities carried at fair value through income (net)	(35)	(7)	(27)	(5)
Operating realized gains/losses (net)	15	9	30	14
Operating impairments of investments (net)	(7)	(11)	(8)	(14)
Investment expenses	(77)	(70)	(145)	(137)
Expenses for premium refunds (net)[2]	(37)	(25)	(100)	(51)
Operating investment income	**784**	**861**	**1,547**	**1,700**

1 — The operating investment income for our Property-Casualty segment consists of the operating investment result – as shown in note 4 to the condensed consolidated interim financial statements – and expenses for premium refunds (net) (policyholder participation) as shown in note 29 to the condensed consolidated interim financial statements.
2 — Refers to policyholder participation, mainly from UBR (accident insurance with premium refunds) business, and consists of the investment-related part of "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 29 to the condensed consolidated interim financial statements.

Operating investment income declined by €77 MN to €784 MN. This was mainly driven by lower interest and similar income (net of interest expenses) and an unfavorable net foreign currency result.

Interest and similar income (net of interest expenses) fell by €40 MN to €925 MN due to lower income on equity and debt securities. The total average asset base grew by 4.8%, from €100.8 BN in the second quarter of 2012 to €105.6 BN in the second quarter of 2013. This growth could not offset the negative effect of decreasing yields.

Operating income from financial assets and liabilities carried at fair value through income (net) resulted in a loss of €35 MN. The decrease of €28 MN was mainly due to an unfavorable foreign currency result including related hedging transactions.

OTHER RESULT A 13

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Fee and commission income	307	291	597	581
Other income	11	10	19	17
Fee and commission expenses	(273)	(264)	(548)	(540)
Other expenses	(6)	(6)	(11)	(10)
Restructuring charges	(1)	(76)	(3)	(82)
Other result	**38**	**(45)**	**54**	**(34)**

Our *other result* increased by €83 MN to €38 MN, primarily due to the near absence of restructuring charges compared to the second quarter of 2012.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Operating profit rose by €265 MN to €2,498 MN. This improvement was mainly driven by our strong underwriting result and lower restructuring costs. The investment result decreased by €153 MN to €1,547 MN, primarily affected by the current low yield environment and less dividend income.

Our *combined ratio* improved by 1.6 percentage points to 95.1%. This was supported by an improvement in our accident year loss ratio of 0.9 percentage points and a 1.2 percentage point improvement in our run-off ratio despite an increase in net losses from natural catastrophes of €404 MN to €619 MN and higher expenses compared to the first half of 2012.

PROPERTY-CASUALTY SEGMENT INFORMATION A 14

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Gross premiums written[1]	10,754	10,726	25,951	25,523
Ceded premiums written	(1,121)	(1,161)	(2,431)	(2,624)
Change in unearned premiums	746	701	(2,829)	(2,552)
Premiums earned (net)	**10,379**	**10,266**	**20,691**	**20,347**
Interest and similar income	932	976	1,819	1,915
Operating income from financial assets and liabilities carried at fair value through income (net)	(35)	(7)	(27)	(5)
Operating realized gains/losses (net)	15	9	30	14
Fee and commission income	307	291	597	581
Other income	11	10	19	17
Operating revenues	**11,609**	**11,545**	**23,129**	**22,869**
Claims and insurance benefits incurred (net)	(6,984)	(7,119)	(13,797)	(14,001)
Change in reserves for insurance and investment contracts (net)	(99)	(76)	(212)	(156)
Interest expenses	(7)	(11)	(22)	(22)
Operating impairments of investments (net)	(7)	(11)	(8)	(14)
Investment expenses	(77)	(70)	(145)	(137)
Acquisition and administrative expenses (net)	(2,976)	(2,862)	(5,885)	(5,674)
Fee and commission expenses	(273)	(264)	(548)	(540)
Restructuring charges	(1)	(76)	(3)	(82)
Other expenses	(6)	(6)	(11)	(10)
Operating expenses	**(10,430)**	**(10,495)**	**(20,631)**	**(20,636)**
Operating profit	**1,179**	**1,050**	2,498	**2,233**
Loss ratio[2] in %	67.3	69.4	66.7	68.8
Expense ratio[3] in %	28.7	27.8	28.4	27.9
Combined ratio[4] in %	**96.0**	**97.2**	**95.1**	**96.7**

1 — For the Property-Casualty segment, total revenues are measured based upon gross premiums written.
2 — Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
3 — Represents acquisition and administrative expenses (net) divided by premiums earned (net).
4 — Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

Property-Casualty insurance operations by reportable segment – second quarter

PROPERTY-CASUALTY INSURANCE OPERATIONS BY REPORTABLE SEGMENT

€ MN

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
three months ended 30 June	2013	2012	2013	2012	2013	2012	2013	2012
Germany	1,669	1,690	1,669	1,677	1,860	1,851	(53)	122
Switzerland	151	144	155	144	348	357	30	56
Austria	216	214	216	214	202	197	10	19
German Speaking Countries[2]	**2,055**	**2,070**	**2,059**	**2,057**	**2,426**	**2,422**	**(5)**	**203**
Italy	1,034	1,032	1,034	1,032	993	971	322	202
France[3]	894	736	746	736	951	781	120	91
Netherlands	154	168	154	168	162	169	15	17
Turkey	225	150	234	150	146	98	13	4
Belgium[4]	108	79	83	79	106	75	16	12
Greece	26	29	26	29	21	23	4	6
Africa	16	17	16	17	13	11	3	1
Western & Southern Europe[5]	**2,457**	**2,211**	**2,293**	**2,211**	**2,392**	**2,128**	**496**	**337**
Latin America	630	598	674	598	444	388	34	26
Spain	486	477	486	477	452	461	63	53
Portugal	66	66	66	66	67	66	6	10
Iberia & Latin America	**1,182**	**1,141**	**1,226**	**1,141**	**963**	**915**	**103**	**89**
United States	520	805	530	805	461	603	56	(78)
USA	**520**	**805**	**530**	**805**	**461**	**603**	**56**	**(78)**
Allianz Global Corporate & Specialty	1,237	1,480	1,248	1,480	708	774	86	75
Reinsurance PC	661	692	661	692	724	816	66	50
Australia	767	737	797	737	560	521	133	104
United Kingdom	576	606	604	606	523	539	46	64
Credit Insurance	539	500	525	491	377	338	116	118
Ireland[6]	112	111	112	111	94	99	14	6
Global Insurance Lines & Anglo Markets[7]	**3,892**	**4,126**	**3,947**	**4,117**	**2,986**	**3,087**	**461**	**416**
Russia	180	155	186	155	142	162	(6)	(2)
Poland	110	105	108	105	85	87	1	7
Hungary	59	60	59	60	57	58	2	(7)
Slovakia	72	76	72	76	65	70	13	19
Czech Republic	69	69	70	69	54	55	6	8
Romania	44	46	44	46	37	36	1	1
Bulgaria	22	27	22	27	14	14	4	–
Croatia	24	22	24	22	19	19	3	3
Ukraine	3	3	4	3	1	1	–	2
Central and Eastern Europe[8]	582	562	590	562	474	502	23	27
Asia-Pacific	174	148	174	148	95	81	19	14
Middle East and North Africa	18	20	20	20	12	12	2	2
Growth Markets	**774**	**730**	**784**	**730**	**581**	**595**	**44**	**43**
Allianz Global Assistance	483	432	484	432	458	428	22	35
Allianz Worldwide Care[6]	119	91	119	91	102	88	9	5
Allianz Worldwide Partners[9]	**640**	**523**	**641**	**537**	**570**	**516**	**24**	**40**
Consolidation and Other[10]	(766)	(880)	(767)	(881)	–	–	–	–
Total	**10,754**	**10,726**	**10,713**	**10,717**	**10,379**	**10,266**	**1,179**	**1,050**

1 — This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).

2 — Includes "Münchener und Magdeburger Agrarversicherung AG" with gross premiums written of €19 MN, premiums earned (net) of €16 MN and operating profit of €8 MN for 2Q 2013 and gross premiums written of €22 MN, premiums earned (net) of €17 MN and operating profit of €6 MN for 2Q 2012.

3 — Effective as of 1 October 2012, Allianz France acquired the Property-Casualty brokerage portfolio-related activities (excluding transport) of Gan Eurocourtage.

4 — Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura.

5 — Contains €3 MN and €4 MN operating profit for 2Q 2013 and 2Q 2012, respectively, from a management holding located in Luxembourg.

6 — From the third quarter of 2012 onwards, Allianz Worldwide Care was transferred from Global Insurance Lines & Anglo Markets to Allianz Worldwide Partners. Prior year figures have been adjusted.

A 15

%	Combined ratio		Loss ratio		Expense ratio	
three months ended 30 June	2013	2012	2013	2012	2013	2012
Germany	110.6	99.6	82.9	72.0	27.7	27.6
Switzerland	97.2	91.5	74.1	67.8	23.1	23.7
Austria	99.0	96.1	71.9	69.7	27.1	26.4
German Speaking Countries[2]	**107.3**	**97.9**	**80.5**	**71.2**	**26.8**	**26.7**
Italy	76.4	89.0	51.6	64.5	24.8	24.5
France[3]	96.3	98.0	67.1	71.3	29.2	26.7
Netherlands	96.6	96.8	66.1	69.7	30.5	27.1
Turkey	96.8	102.6	72.0	74.6	24.8	28.0
Belgium[4]	96.1	95.3	67.0	62.0	29.1	33.3
Greece	81.1	77.5	46.9	39.8	34.2	37.7
Africa	92.8	101.2	41.4	44.5	51.4	56.7
Western & Southern Europe[5]	**87.9**	**93.8**	**60.6**	**67.4**	**27.3**	**26.4**
Latin America	98.7	100.2	65.2	68.4	33.5	31.8
Spain	90.0	91.3	68.2	69.8	21.8	21.5
Portugal	94.4	91.7	70.9	69.4	23.5	22.3
Iberia & Latin America	**94.3**	**95.1**	**67.0**	**69.2**	**27.3**	**25.9**
United States	100.2	122.6	64.4	90.6	35.8	32.0
USA	**100.2**	**122.6**	**64.4**	**90.6**	**35.8**	**32.0**
Allianz Global Corporate & Specialty	98.1	99.6	69.1	73.7	29.0	25.9
Reinsurance PC	95.1	97.9	68.2	71.3	26.9	26.6
Australia	86.8	94.1	60.6	65.5	26.2	28.6
United Kingdom	96.3	93.7	65.9	65.1	30.4	28.6
Credit Insurance	77.8	79.3	47.8	53.5	30.0	25.8
Ireland[6]	91.5	101.5	61.5	71.9	30.0	29.6
Global Insurance Lines & Anglo Markets[7]	**92.2**	**95.1**	**63.8**	**67.9**	**28.4**	**27.2**
Russia	111.7	104.3	69.6	63.6	42.1	40.7
Poland	103.3	96.8	67.9	64.3	35.4	32.5
Hungary	106.7	124.6	67.9	65.4	38.8	59.2
Slovakia	86.7	81.5	56.2	51.6	30.5	29.9
Czech Republic	92.2	90.6	61.2	64.8	31.0	25.8
Romania	104.3	106.5	73.1	77.4	31.2	29.1
Bulgaria	79.7	99.9	48.8	68.0	30.9	31.9
Croatia	91.6	90.9	52.0	52.2	39.6	38.7
Ukraine	127.0	48.4	66.9	9.1	60.1	39.3
Central and Eastern Europe[8]	102.1	100.3	65.2	62.8	36.9	37.5
Asia-Pacific	88.4	89.9	57.6	57.8	30.8	32.1
Middle East and North Africa	95.8	103.3	61.5	70.1	34.3	33.2
Growth Markets	**99.7**	**99.2**	**63.9**	**62.4**	**35.8**	**36.8**
Allianz Global Assistance	96.8	94.3	61.5	58.3	35.3	36.0
Allianz Worldwide Care[6]	91.8	94.9	72.5	75.6	19.3	19.3
Allianz Worldwide Partners[9]	**97.0**	**94.4**	**63.8**	**61.4**	**33.2**	**33.0**
Consolidation and Other[10]	–	–	–	–	–	–
Total	**96.0**	**97.2**	**67.3**	**69.4**	**28.7**	**27.8**

7 — Contains €0 MN and €(1) MN operating profit (loss) for 2Q 2013 and 2012, respectively, from AGF UK.

8 — Contains income and expense items from a management holding and consolidations between countries in this region.

9 — The business division Allianz Worldwide Partners includes the legal entities of Allianz Global Assistance and Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive and income and expenses of a management holding. The set-up of this division will be further enhanced during the following quarters. The reinsurance business of Allianz Global Automotive contributes with gross premiums written of €38 MN, premiums earned (net) of €10 MN and an operating profit (loss) of €(6) MN for 2Q 2013.

10 — Represents elimination of transactions between Allianz Group companies in different geographic regions.

Property-Casualty insurance operations by reportable segment – first half year

PROPERTY-CASUALTY INSURANCE OPERATIONS BY REPORTABLE SEGMENT

€ MN

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
six months ended 30 June	2013	2012	2013	2012	2013	2012	2013	2012
Germany[2]	5,669	5,583	5,669	5,570	3,711	3,654	266	317
Switzerland	1,103	1,120	1,123	1,120	717	732	89	110
Austria	566	552	566	552	401	389	28	35
German Speaking Countries[3]	**7,365**	**7,284**	**7,385**	**7,271**	**4,849**	**4,796**	**393**	**469**
Italy	2,012	1,985	2,012	1,985	1,959	1,929	528	365
France[4]	2,359	1,874	1,906	1,874	1,885	1,582	223	187
Netherlands	424	419	424	416	332	343	25	15
Turkey	436	296	445	296	276	189	30	7
Belgium[5]	252	188	193	185	210	148	25	21
Greece	56	59	56	59	41	46	8	12
Africa	54	53	54	53	27	24	4	3
Western & Southern Europe[6]	**5,593**	**4,874**	**5,090**	**4,868**	**4,730**	**4,261**	**850**	**618**
Latin America	1,197	1,164	1,302	1,163	884	768	73	65
Spain	1,100	1,084	1,100	1,084	899	911	114	128
Portugal	183	186	183	186	132	129	10	19
Iberia & Latin America	**2,480**	**2,434**	**2,585**	**2,433**	**1,915**	**1,808**	**197**	**212**
United States	972	1,461	985	1,461	924	1,131	103	(42)
USA	**972**	**1,461**	**985**	**1,461**	**924**	**1,131**	**103**	**(42)**
Allianz Global Corporate & Specialty	2,803	3,104	2,822	3,104	1,438	1,598	178	192
Reinsurance PC[2]	2,115	2,182	2,075	2,182	1,458	1,582	110	114
Australia	1,452	1,412	1,498	1,412	1,159	1,065	198	171
United Kingdom	1,171	1,174	1,212	1,174	1,040	1,057	101	97
Credit Insurance	1,138	1,091	1,114	1,067	721	660	204	218
Ireland[7]	224	232	224	232	187	197	21	23
Global Insurance Lines & Anglo Markets[8]	**8,903**	**9,195**	**8,945**	**9,171**	**6,003**	**6,159**	**812**	**814**
Russia	400	360	410	360	288	317	(6)	(3)
Poland	219	214	215	214	170	178	4	11
Hungary	145	174	146	174	113	116	8	5
Slovakia	177	185	177	185	131	134	26	34
Czech Republic	143	147	146	147	111	112	12	15
Romania	93	93	93	93	73	72	2	2
Bulgaria	37	42	37	42	31	31	9	4
Croatia	52	51	53	51	38	38	6	6
Ukraine	9	7	9	7	3	3	1	2
Central and Eastern Europe[9]	1,274	1,272	1,286	1,272	958	1,001	59	71
Asia-Pacific	354	300	358	300	184	157	38	29
Middle East and North Africa	38	38	41	38	24	24	4	2
Growth Markets	**1,666**	**1,610**	**1,685**	**1,610**	**1,166**	**1,182**	**101**	**102**
Allianz Global Assistance	1,009	905	1,011	905	893	837	36	49
Allianz Worldwide Care[7]	296	231	296	231	199	173	17	11
Allianz Worldwide Partners[10]	**1,360**	**1,136**	**1,362**	**1,150**	**1,104**	**1,010**	**42**	**60**
Consolidation and Other[11]	(2,388)	(2,471)	(2,349)	(2,465)	–	–	–	–
Total	**25,951**	**25,523**	**25,688**	**25,499**	**20,691**	**20,347**	**2,498**	**2,233**

1 — This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).

2 — The combined ratio at Germany and Reinsurance PC was impacted by a one-off effect related to the commutation of internal reinsurance resulting in a 1.8 percentage point improvement in the combined ratio for Germany and an increase of 4.5 percentage points in Reinsurance PC. This had no impact at Group level.

3 — Includes "Münchener und Magdeburger Agrarversicherung AG" with gross premiums written of €27 MN, premiums earned (net) of €20 MN and operating profit of €10 MN for 6M 2013 and gross premiums written of €29 MN, premiums earned (net) of €21 MN and operating profit of €7 MN for 6M 2012.

4 — Effective as of 1 October 2012, Allianz France acquired the Property-Casualty brokerage portfolio-related activities (excluding transport) of Gan Eurocourtage.

5 — Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura.

6 — Contains €7 MN and €8 MN operating profit for 6M 2013 and 2012, respectively, from a management holding located in Luxembourg.

A 16

%	Combined ratio		Loss ratio		Expense ratio	
six months ended 30 June	2013	2012	2013	2012	2013	2012
Germany[2]	101.1	98.8	75.7	71.3	25.4	27.5
Switzerland	93.3	91.9	71.2	69.9	22.1	22.0
Austria	97.7	97.1	70.4	70.3	27.3	26.8
German Speaking Countries[3]	**99.4**	**97.5**	**74.4**	**71.0**	**25.0**	**26.5**
Italy	80.9	90.3	56.4	66.0	24.5	24.3
France[4]	96.4	98.3	68.5	72.3	27.9	26.0
Netherlands	98.3	100.8	68.6	72.6	29.7	28.2
Turkey	94.5	103.0	69.3	75.0	25.2	28.0
Belgium[5]	95.9	97.4	67.6	63.6	28.3	33.8
Greece	82.6	77.8	48.1	43.9	34.5	33.9
Africa	94.3	95.3	54.0	54.3	40.3	41.0
Western & Southern Europe[6]	**89.9**	**94.8**	**63.3**	**68.9**	**26.6**	**25.9**
Latin America	98.1	98.9	65.2	68.1	32.9	30.8
Spain	91.5	90.4	70.6	69.7	20.9	20.7
Portugal	96.8	91.7	73.3	69.0	23.5	22.7
Iberia & Latin America	**94.9**	**94.1**	**68.3**	**69.0**	**26.6**	**25.1**
United States	100.9	114.6	65.1	81.3	35.8	33.3
USA	**100.9**	**114.6**	**65.1**	**81.3**	**35.8**	**33.3**
Allianz Global Corporate & Specialty	97.7	97.5	69.3	70.3	28.4	27.2
Reinsurance PC[2]	95.7	96.8	61.1	69.2	34.6	27.6
Australia	93.4	97.1	67.4	70.8	26.0	26.3
United Kingdom	95.8	96.3	64.7	64.6	31.1	31.7
Credit Insurance	81.1	78.0	52.5	51.9	28.6	26.1
Ireland[7]	95.2	97.0	63.1	67.7	32.1	29.3
Global Insurance Lines & Anglo Markets[8]	**94.1**	**95.0**	**64.0**	**67.1**	**30.1**	**27.9**
Russia	108.5	103.4	67.1	61.9	41.4	41.5
Poland	102.1	98.4	67.3	65.7	34.8	32.7
Hungary	105.3	107.8	65.7	58.9	39.6	48.9
Slovakia	87.0	82.3	56.8	52.3	30.2	30.0
Czech Republic	91.2	91.5	62.6	64.2	28.6	27.3
Romania	102.9	104.4	72.4	78.3	30.5	26.1
Bulgaria	75.1	89.9	44.4	58.4	30.7	31.5
Croatia	91.3	91.7	53.3	54.2	38.0	37.5
Ukraine	116.8	62.9	61.1	18.4	55.7	44.5
Central and Eastern Europe[9]	100.2	98.1	64.1	61.8	36.1	36.3
Asia-Pacific	88.1	90.0	57.4	59.6	30.7	30.4
Middle East and North Africa	95.6	107.1	62.2	73.6	33.4	33.5
Growth Markets	**98.2**	**97.3**	**63.0**	**61.8**	**35.2**	**35.5**
Allianz Global Assistance	97.7	96.3	62.5	60.2	35.2	36.1
Allianz Worldwide Care[7]	92.0	94.1	73.9	75.7	18.1	18.4
Allianz Worldwide Partners[10]	**97.6**	**95.9**	**64.6**	**62.8**	**33.0**	**33.1**
Consolidation and Other[11]	–	–	–	–	–	–
Total	**95.1**	**96.7**	**66.7**	**68.8**	**28.4**	**27.9**

7 — From the third quarter of 2012 onwards, Allianz Worldwide Care was transferred from Global Insurance Lines & Anglo Markets to Allianz Worldwide Partners. Prior year figures have been adjusted.

8 — Contains €(0.2) MN and €(1) MN operating profit (loss) for 6M 2013 and 2012, respectively, from AGF UK.

9 — Contains income and expense items from a management holding and consolidations between countries in this region.

10 — The business division Allianz Worldwide Partners includes the legal entities of Allianz Global Assistance and Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive and income and expenses of a management holding. The set-up of this division will be further enhanced during the following quarters. The reinsurance business of Allianz Global Automotive contributes with gross premiums written of €55 MN, premiums earned (net) of €12 MN and an operating profit (loss) of €(9) MN for 6M 2013.

11 — Represents elimination of transactions between Allianz Group companies in different geographic regions.

Life/Health Insurance Operations

SECOND QUARTER 2013

- Statutory premium growth returns, up by 10.3%[1] to €14.1 BN.
- Operating profit solid at €669 MN, but impacted by lower investment result.

Segment overview

Allianz offers a broad range of life, health, savings and investment-oriented products, including individual and group life insurance contracts. Via our distribution channels – mainly tied agents, brokers and bank partnerships – we offer life and health products to both private and corporate clients. As one of the worldwide market leaders in life business we serve customers in more than 45 countries.

Earnings summary

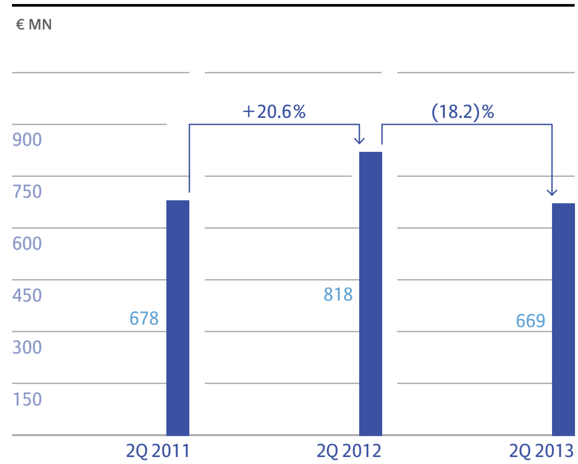
Statutory premiums grew to €14.1 BN – an increase of 10.3% on an internal basis[1]. Growth was driven by strong unit-linked sales, predominantly in single premium products. We saw considerable statutory premium growth especially in Italy, Germany and Taiwan.

Our **operating profit** performance was solid at €669 MN. Compared to the second quarter of 2012, however, it decreased €149 MN due to an unfavorable investment result, with Germany experiencing hedging related losses and an improved investment result in the United States triggering higher deferred acquisition expenses.

Our **margin on reserves**[2] decreased from 75 to 58 basis points driven by direct and indirect effects of recent market volatility.

Operating profit (18.2)%

OPERATING PROFIT LIFE/HEALTH A 17



Key figures

KEY FIGURES LIFE/HEALTH A 18

€ MN three months ended 30 June	2013	2012	2011
Statutory premiums	14,125	12,861	12,978
Operating profit[3,4]	669	818	678
Margin on reserves (BPS)	58	75	66

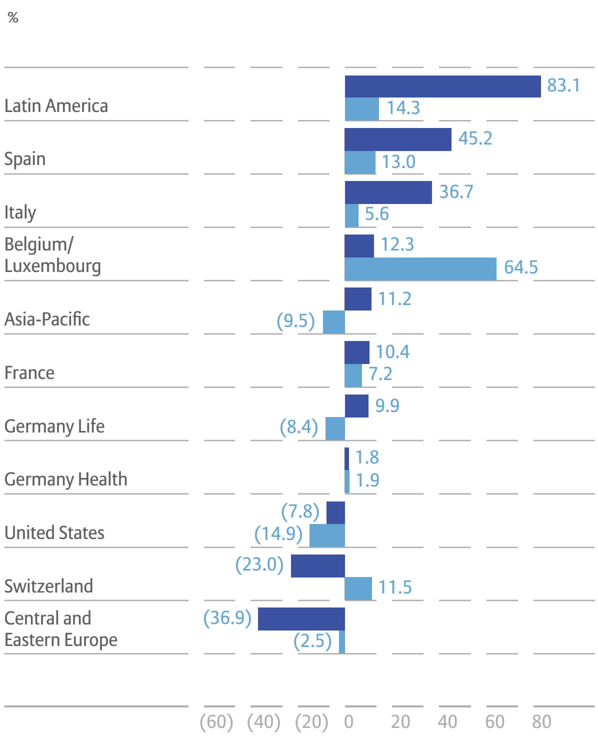
1 – Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.
2 – Represents operating profit divided by the average of (a) the current quarter-end and previous quarter-end net reserves and (b) the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
3 – Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.
4 – As of the first quarter of 2013, all restructuring charges are presented within operating profit and all prior periods have been adjusted to conform to the current accounting presentation.

Statutory premiums[1]

2013 TO 2012 SECOND QUARTER COMPARISON

In the following section, we comment on the development of our statutory gross premiums written on an internal basis, i.e. adjusted for foreign currency translation and (de-)consolidation effects in order to provide more comparable information.

STATUTORY PREMIUMS – INTERNAL GROWTH RATES IN SELECTED MARKETS[1] A 19



2Q 2013 over 2Q 2012 | 2Q 2012 over 2Q 2011

1 — Before elimination of transactions between Allianz Group companies in different geographic regions, countries and different segments.

Statutory premiums in *Latin America* increased 83.1% on an internal basis to reach €113 MN. This growth was largely driven by higher sales of single premium investment-oriented products and a new annuity contract with a major client in Mexico. In Colombia, premiums remained broadly stable.

In *Spain,* premiums increased by 45.2% to €392 MN. This was mainly driven by strong sales of unit-linked products through the bancassurance channel and higher investment-oriented sales distributed through the agent channel.

In *Italy,* premiums increased 36.7% to €2,620 MN. The continued strong growth of unit-linked premiums was largely because of a successful product launch via our financial advisors channel in late 2012 as well as a recovery of the bancassurance sales channel from the low level of 2012. The share of unit-linked premiums grew further to 73.2% (2Q 2012: 52.3%) of total statutory premiums.

In *Belgium/Luxembourg,* premiums increased 12.3% to €613 MN. This growth mainly resulted from an investment-oriented product largely distributed via our bancassurance channel in Belgium.

In *Asia-Pacific,* we recorded statutory premiums of €1,346 MN, an increase of 11.2% on an internal basis. An increase in unit-linked premiums in Taiwan was driven by strong single premium sales through the bancassurance channel. This more than compensated for the decrease of single premium investment-oriented business in South Korea, where we stopped selling one of our major products in the third quarter of 2012. In Indonesia traditional business stayed firm, while we saw a moderate decrease in the single premium investment-oriented business.

In *France,* we recorded a premium increase of 10.4% to €2,139 MN. The overall growth of €201 MN was supplemented by a large single premium group pension contract.

In our *German* life business, premiums increased 9.9% to €3,674 MN. Single premium business with savings products as well as traditional endowment and annuity products increased, while business with regular premiums largely remained stable. Premiums in our German health business increased 1.8% to €832 MN, benefiting in part from price increases and new business in supplementary coverage.

In the *United States,* statutory premiums were down 7.8% on an internal basis to €1,788 MN. This was primarily due to fixed-indexed annuity products. Low interest rates, product and commission changes for fixed-indexed and variable annuity products in 2012 resulted in a decrease in sales in both business lines.

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

In *Switzerland,* premiums totaled €252 MN, a decline of 23.0%. Our single premium group life business was the primary driver of this development, where we have maintained a more selective growth focus. In individual life business, traditional products – as well as investment-oriented products – were stable.

Statutory premiums in *Central and Eastern Europe* decreased to €191 MN, down 36.9% on an internal basis. This decrease largely relates to Poland, where regulatory restrictions led to a significant decrease in premiums from deposit business. The decrease in single premiums investment-oriented business in the Czech Republic was partly offset by growth in the traditional business.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Statutory premiums were 9.0% above the first half year of 2012 and amounted to €28,962 MN. This represents an increase of 9.4% on an internal basis. This growth was largely driven by our unit-linked business, supported by an increase in traditional business.

The drop in sales due to product and commission changes in the United States, curtailed sales in South Korea and regulatory restrictions in Poland were more than compensated for by significantly higher premiums from our investment-oriented business in Italy, Germany and Taiwan.

Operating profit

2013 TO 2012 SECOND QUARTER COMPARISON

Operating profit decreased by €149 MN to €669 MN due to a lower investment result and higher deferred acquisition expenses.

Interest and similar income net of interest expenses decreased by €55 MN and amounted to €4,347 MN. This was mainly because of a decrease in interest income from debt investments as well as lower dividend income.

Operating income from financial assets and liabilities carried at fair value through income (net) decreased by €481 MN to a loss of €686 MN. This decrease was mainly due to losses from the net of foreign currency translation effects and financial derivatives in Germany. These derivatives are used to manage duration and other interest rate-related exposures as well as to protect against equity and foreign currency fluctuations. This decrease was partly offset by less unfavorable impacts related to annuity and guaranteed benefit features in the United States as well as the favorable impacts of equity market performance on our Fair Value Option assets primarily in France.

Operating realized gains and losses (net) decreased by €15 MN to €718 MN. Higher realized gains on equities almost compensated for lower realizations on debt investments.

Operating impairments of investments (net) amounted to €132 MN. This represents an improvement of €72 MN as the second quarter of 2012 was burdened by equity impairments – mainly on our investments in financial sector assets.

Claims and insurance benefits incurred (net) increased €420 MN to €4,990 MN mainly because of higher maturities in Thailand and France, partly offset by lower claims for maturities in Germany.

Changes in reserves for insurance and investment contracts (net) decreased by €589 MN to €2,928 MN. This was largely driven by a lower allocation of premiums to policy reserves due to the negative revaluation impact of decreased investment income in Germany and the offsetting impact from higher maturities in Thailand. This was partly offset by higher reserve allocations driven by the increased premiums in Germany and the favorable development of financial income in France.

Acquisition and administrative expenses (net) amounted to €1,478 MN, an increase of €225 MN. This was mainly driven by higher acquisition expenses due to increased deferred acquisition cost amortization and true-ups, largely in the United States.

Overall, our investment margin (i.e. investment income, net of hedged item movements and policyholder participation) was significantly impacted by the lower investment margin in Germany – driven by hedging and foreign currency related losses. This lower margin was just more than offset by higher investment margins from other countries, in particular in the United States. However, the latter recorded higher amortization and true-ups of deferred acquisition costs as a result, substantially offsetting the benefits of the higher investment margins.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Operating profit decreased by €119 MN to €1,524 MN, mainly as a result of a lower investment result. While this decrease largely relates to the negative effects of the operating income from financial assets and liabilities carried at fair value through income in the second quarter of 2013, the overall decrease was also impacted by lower net realized gains in the first quarter of 2013.

LIFE/HEALTH SEGMENT INFORMATION A 20

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Statutory premiums[1]	**14,125**	**12,861**	**28,962**	**26,560**
Ceded premiums written	(151)	(179)	(308)	(333)
Change in unearned premiums	(50)	(51)	(164)	(118)
Statutory premiums (net)	**13,924**	**12,631**	**28,490**	**26,109**
Deposits from insurance and investment contracts	(8,012)	(7,097)	(16,218)	(14,214)
Premiums earned (net)	**5,912**	**5,534**	**12,272**	**11,895**
Interest and similar income	4,368	4,423	8,445	8,485
Operating income from financial assets and liabilities carried at fair value through income (net)	(686)	(205)	(930)	(367)
Operating realized gains/losses (net)	718	733	1,617	1,800
Fee and commission income	168	131	308	258
Other income	31	37	80	79
Operating revenues	**10,511**	**10,653**	**21,792**	**22,150**
Claims and insurance benefits incurred (net)	(4,990)	(4,570)	(9,816)	(9,679)
Changes in reserves for insurance and investment contracts (net)	(2,928)	(3,517)	(6,929)	(7,231)
Interest expenses	(21)	(21)	(40)	(41)
Operating impairments of investments (net)	(132)	(204)	(194)	(266)
Investment expenses	(193)	(191)	(383)	(353)
Acquisition and administrative expenses (net)	(1,478)	(1,253)	(2,726)	(2,774)
Fee and commission expenses	(74)	(55)	(130)	(118)
Restructuring charges	(1)	(2)	(2)	(4)
Other expenses	(25)	(22)	(48)	(41)
Operating expenses	**(9,842)**	**(9,835)**	**(20,268)**	**(20,507)**
Operating profit	**669**	**818**	**1,524**	**1,643**
Margin on reserves[2] in basis points	**58**	**75**	**66**	**77**

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 — Represents operating profit divided by the average of (a) the current quarter-end and previous quarter-end net reserves and (b) the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

Life/Health insurance operations by reportable segments – second quarter

LIFE/HEALTH INSURANCE OPERATIONS BY REPORTABLE SEGMENTS A 21

€ MN

	Statutory premiums[1]				Premiums earned (net)		Operating profit (loss)		Margin on reserves[2] (BPS)	
			internal[3]							
three months ended 30 June	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Germany Life	3,674	3,342	3,674	3,342	2,605	2,401	162	316	36	76
Germany Health	832	817	832	817	831	818	53	40	85	69
Switzerland	252	335	258	335	86	133	21	20	62	61
Austria	87	91	87	91	62	62	11	–	103	–
German Speaking Countries	**4,845**	**4,585**	**4,851**	**4,585**	**3,584**	**3,414**	**247**	**376**	**45**	**73**
Italy	2,620	1,916	2,620	1,916	109	123	74	63	63	58
France	2,139	1,938	2,139	1,938	849	727	123	124	67	72
Belgium/Luxembourg	613	546	613	546	99	105	22	29	87	124
Netherlands	64	69	64	69	32	34	11	12	102	124
Turkey	43	27	44	27	10	10	(1)	2	(87)	211
Greece	23	25	23	25	14	14	–	(1)	–	(54)
Africa	12	11	12	11	6	5	1	1	179	99
Western & Southern Europe	**5,514**	**4,532**	**5,515**	**4,532**	**1,119**	**1,018**	**230**	**230**	**67**	**73**
Latin America	113	59	108	59	66	27	2	2	102	115
Spain	392	270	392	270	160	114	34	29	214	199
Portugal	52	45	52	45	21	21	5	5	400	460
Iberia & Latin America	**557**	**374**	**552**	**374**	**247**	**162**	**41**	**36**	**215**	**209**
United States	1,788	1,976	1,821	1,976	220	198	100	127	56	76
USA	**1,788**	**1,976**	**1,821**	**1,976**	**220**	**198**	**100**	**127**	**56**	**76**
Reinsurance LH	134	120	134	120	110	107	(15)	(5)	(320)	(97)
Global Insurance Lines & Anglo Markets	**134**	**120**	**134**	**120**	**110**	**107**	**(15)**	**(5)**	**(320)**	**(97)**
South Korea	318	503	315	503	124	140	2	11	7	50
Taiwan	520	225	533	225	40	46	(3)	2	(17)	16
Indonesia	190	243	205	243	86	62	16	10	467	356
Malaysia	91	79	91	79	53	49	6	5	194	186
Japan	–	–	–	–	2	2	1	(9)	21	(152)
Other	227	178	222	178	159	150	17	16	203	183
Asia-Pacific	1,346	1,228	1,366	1,228	464	449	39	35	70	66
Poland	21	94	20	94	6	32	4	4	380	238
Slovakia	59	60	59	60	48	49	9	8	295	288
Hungary	31	29	32	29	12	12	3	(1)	281	(124)
Czech Republic	30	71	31	71	20	17	5	8	301	573
Russia	20	24	21	24	20	23	–	(1)	–	(290)
Croatia	15	14	16	14	16	13	1	–	189	–
Bulgaria	8	7	8	7	7	6	1	1	274	436
Romania	7	7	6	7	4	4	1	–	182	–
Central and Eastern Europe[4]	191	306	193	306	133	154	23	19	272	224
Middle East and North Africa	40	41	44	41	34	32	4	5	283	408
Global Life	1	1	1	1	1	–	–	–	–[5]	–[5]
Growth Markets	**1,578**	**1,576**	**1,604**	**1,576**	**632**	**635**	**66**	**59**	**99**	**93**
Consolidation[6]	(291)	(302)	(290)	(302)	–	–	–	(5)	–[5]	–[5]
Total	**14,125**	**12,861**	**14,187**	**12,861**	**5,912**	**5,534**	**669**	**818**	**58**	**75**

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 — Represents operating profit (loss) divided by the average of (a) the current quarter-end and previous quarter-end net reserves and (b) the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

3 — Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.

4 — Contains income and expense items from a management holding and consolidations between countries in this region.

5 — Presentation not meaningful.

6 — Represents elimination of transactions between Allianz Group companies in different geographic regions.

Life/Health insurance operations by reportable segments – first half year

LIFE/HEALTH INSURANCE OPERATIONS BY REPORTABLE SEGMENTS A 22

€ MN	Statutory premiums[1]				Premiums earned (net)		Operating profit (loss)		Margin on reserves[2] (BPS)	
			internal[3]							
six months ended 30 June	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Germany Life	8,140	7,282	8,140	7,282	5,658	5,338	506	558	57	68
Germany Health	1,663	1,635	1,663	1,635	1,663	1,636	84	83	68	72
Switzerland	1,169	1,365	1,191	1,365	318	432	41	40	62	63
Austria	201	225	201	225	149	162	20	19	95	99
German Speaking Countries	**11,173**	**10,507**	**11,195**	**10,507**	**7,788**	**7,568**	**651**	**700**	**60**	**69**
Italy	4,715	3,183	4,715	3,183	240	271	155	136	67	63
France	4,407	3,956	4,407	3,956	1,673	1,498	238	209	64	62
Belgium/Luxembourg	1,227	920	1,227	920	194	211	37	45	73	99
Netherlands	139	143	139	143	69	67	22	24	105	122
Turkey	76	50	77	50	19	18	(1)	3	(48)	152
Greece	48	51	48	51	28	30	(1)	1	(58)	79
Africa	30	29	30	29	14	12	2	2	192	171
Western & Southern Europe	**10,642**	**8,332**	**10,643**	**8,332**	**2,237**	**2,107**	**452**	**420**	**67**	**68**
Latin America	189	124	183	124	92	60	3	5	95	166
Spain	705	520	705	520	245	265	67	60	207	207
Portugal	100	84	100	84	41	43	10	(6)	410	(246)
Iberia & Latin America	**994**	**728**	**988**	**728**	**378**	**368**	**80**	**59**	**209**	**172**
United States	3,350	3,999	3,391	3,999	428	398	201	293	58	87
USA	**3,350**	**3,999**	**3,391**	**3,999**	**428**	**398**	**201**	**293**	**58**	**87**
Reinsurance LH	266	240	266	240	231	215	(8)	8	(81)	70
Global Insurance Lines & Anglo Markets	**266**	**240**	**266**	**240**	**231**	**215**	**(8)**	**8**	**(81)**	**70**
South Korea	679	965	664	965	254	285	7	54	14	120
Taiwan	1,006	503	1,017	503	67	75	–	4	–	16
Indonesia	347	424	373	424	120	125	38	26	575	448
Malaysia	176	155	177	155	108	100	10	8	174	169
Japan	–	1	–	1	3	3	5	(4)	47	(31)
Other	438	344	429	344	324	288	42	32	245	182
Asia-Pacific	2,646	2,392	2,660	2,392	876	876	102	120	90	111
Poland	48	309	47	309	18	58	8	8	304	262
Slovakia	120	123	120	123	98	95	17	16	289	280
Hungary	109	98	110	98	25	25	4	–	219	–
Czech Republic	74	103	75	103	39	33	10	11	345	416
Russia	36	44	37	44	36	42	(1)	(2)	(85)	(293)
Croatia	32	27	32	27	32	26	2	1	156	108
Bulgaria	16	14	16	14	14	12	2	3	263	477
Romania	13	12	13	12	7	7	1	1	216	220
Central and Eastern Europe[4]	448	730	450	730	269	296	42	38	252	236
Middle East and North Africa	80	80	88	80	64	67	8	7	282	295
Global Life	2	2	2	2	1	–	–	–	–[5]	–[5]
Growth Markets	**3,176**	**3,204**	**3,200**	**3,204**	**1,210**	**1,239**	**152**	**165**	**114**	**130**
Consolidation[6]	(639)	(450)	(638)	(450)	–	–	(4)	(2)	–[5]	–[5]
Total	**28,962**	**26,560**	**29,045**	**26,560**	**12,272**	**11,895**	**1,524**	**1,643**	**66**	**77**

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
2 — Represents operating profit (loss) divided by the average of (a) the current quarter-end and previous quarter-end net reserves and (b) the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
3 — Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.
4 — Contains income and expense items from a management holding and consolidations between countries in this region.
5 — Presentation not meaningful.
6 — Represents elimination of transactions between Allianz Group companies in different geographic regions.

Asset Management

SECOND QUARTER 2013

– Strong operating profit of €804 MN.
– Third-party net inflows of €7 BN in the second quarter and €50 BN for the first half of 2013.
– Total assets under management amounted to €1,863 BN.
– Cost-income ratio at 55.7%.

Segment overview

Allianz offers Asset Management products and services for third-party investors and the Allianz Group's insurance operations. We serve a wide range of retail and institutional clients worldwide with investment and distribution capacities in all major markets. Based on total assets under management, we are one of the largest asset managers in the world that manages third-party assets with active investment strategies. We are particularly strong in the United States and growing in Europe and the Asia-Pacific region.

Earnings summary

Our **operating revenues** went up by €318 MN to €1,815 MN, of which €292 MN were due to increased net fee and commission income excluding performance fees. This was driven by the strong growth in average assets under management as well as higher margins compared to the second quarter of 2012. Our performance fees rose by €23 MN to €78 MN. Despite volatile fixed income markets in the second quarter of 2013, third-party net flows were positive and amounted to €7 BN.

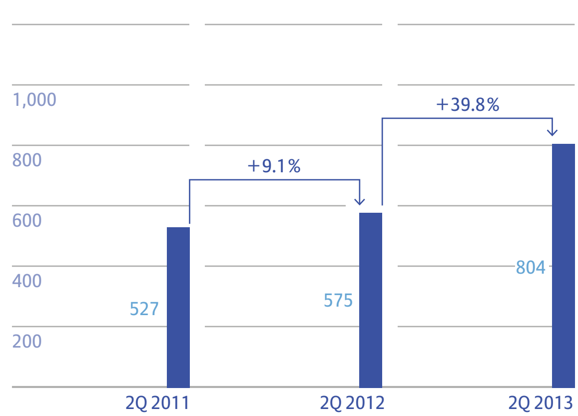
We achieved a strong **operating profit** of €804 MN – a growth of 39.8%, or €229 MN, supported by an increase in revenues, operational efficiency and a decline in restructuring charges.

Excluding restructuring charges, our **cost-income ratio** improved by 1.9 percentage points from 57.5% to 55.6%.

Operating profit +39.8%

OPERATING PROFIT ASSET MANAGEMENT A 23

€ MN



Key figures

KEY FIGURES ASSET MANAGEMENT A 24

€ MN three months ended 30 June	2013	2012	2011
Operating revenues	1,815	1,497	1,303
Operating profit[1,2]	804	575	527
Cost-income ratio[1,2] in %	55.7	61.6	59.6
Total assets under management as of 30 June in € BN	1,863	1,748	1,508
thereof: Third-party assets under management as of 30 June in € BN	1,456	1,354	1,151

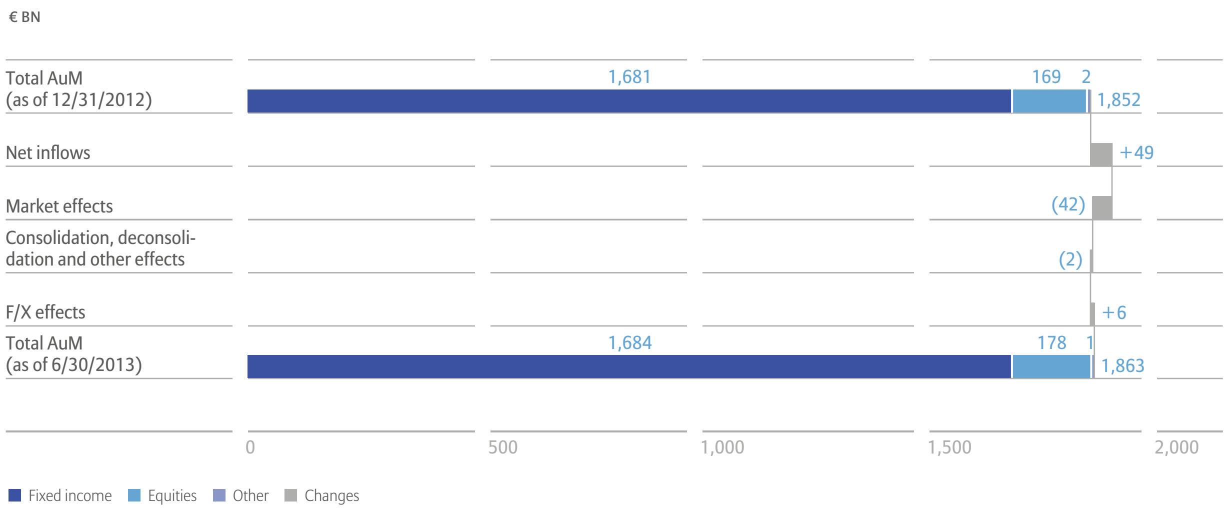
1 — Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.

2 — As of the first quarter of 2013, all restructuring charges are presented within operating profit and all prior periods have been reclassified to conform to the current accounting presentation.

Assets under management

As of 30 June 2013, total assets under management amounted to €1,863 BN. Of this, €1,456 BN related to our third-party assets under management and €407 BN to Allianz Group assets. We show the development of total assets under management based on asset classes as they are relevant for the segment's business development.

DEVELOPMENT OF TOTAL ASSETS UNDER MANAGEMENT A 25



Despite volatile fixed income markets at the end of May and in June 2013, net inflows of total assets under management amounted to €49 BN in the first six months of 2013. This was driven by third-party assets under management.

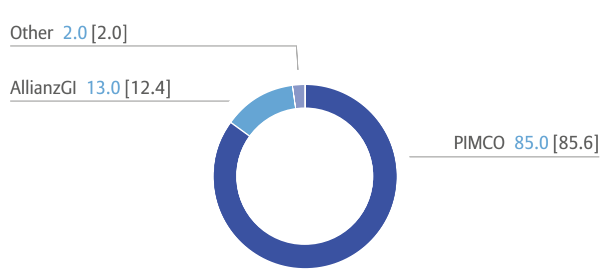
Negative market effects, primarily driven by rising interest rates, resulted in a decline of €42 BN in total assets under management. Of this, fixed income assets contributed €50 BN whereas equities had a €8 BN positive impact.

We experienced favorable foreign currency translation effects of €6 BN, mainly on fixed income assets, resulting from the slight appreciation of the U.S. Dollar against the Euro.[1]

In the following section, we focus on the development of third-party assets under management.

THIRD-PARTY ASSETS UNDER MANAGEMENT BY BUSINESS UNIT A 26

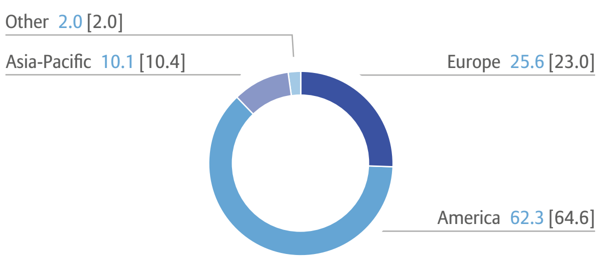
as of 30 June 2013 [31 December 2012] in %



1 — Based on the closing rate on the respective balance sheet date.

THIRD-PARTY ASSETS UNDER MANAGEMENT BY REGION/COUNTRY[1,2,3] A 27

as of 30 June 2013 [31 December 2012] in %



1 — Based on the location of the asset management company.
2 — "America" consists of the United States, Canada and Brazil (approximately €894 BN, €11 BN and €3 BN third party assets under management as of 30 June 2013, respectively).
3 — "Other" consists of third-party assets managed by other Allianz Group companies (approximately €29 BN as of 30 June 2013 and €28 BN as of 31 December 2012, respectively).

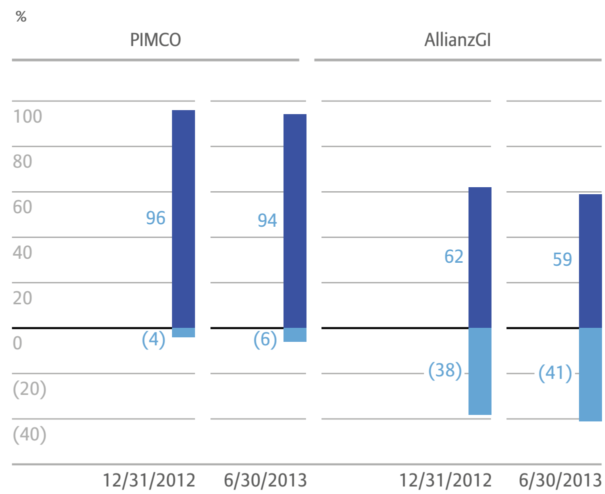
The regional allocation of third-party assets under management shifted slightly: Europe's share increased by 2.6 percentage points benefiting from strong organic growth and a reallocation of some third-party assets under management from the United States to Europe. The reallocation of assets and the comparably stronger market-related depreciation in the United States led to a 2.3 percentage points lower share in third-party assets under management in America, despite third-party net inflows.

As of 30 June 2013, the split of third-party assets under management remained unchanged compared to 31 December 2012, with 89% attributable to fixed income and 11% to equities.

The ratio of third-party assets under management between retail and institutional clients[1] shifted slightly with a one percentage point increase in favor of our retail clients resulting in a split of 37% versus 63% for institutional clients.

1 — Client group classification is driven by investment vehicle types.

THREE-YEAR ROLLING INVESTMENT PERFORMANCE OF PIMCO AND ALLIANZGI[1] A 28



1 — The investment performance is based on Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by portfolio managers of Allianz Asset Management. For some retail funds, the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

The overall investment performance of our Asset Management business was excellent with 90% outperforming their respective benchmarks (31 December 2012: 92%). PIMCO recorded a further outstanding performance of 94% versus its respective benchmarks. AllianzGI outperformed 59% of its benchmarks.

Operating revenues

2013 TO 2012 SECOND QUARTER COMPARISON

Operating revenues rose by €318 MN, or 21.2% (internal growth[2]: 23.1%) to €1,815 MN. This was driven by higher average assets under management and margins.

Net fee and commission income went up by €315 MN or 21.1%, to €1,809 MN. This was largely supported by an increase in management fees resulting from a higher asset base and higher margins. Our *performance fees* rose by €23 MN, or 41.8% to €78 MN.

2 — Operating revenues adjusted for foreign currency translation and (de-)consolidation effects.

Our *income from financial assets and liabilities carried at fair value through income (net)* improved by €7 MN due to reduced levels of seed money in the second quarter of 2013.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Our *operating revenues* grew by €790 MN, or 26.9% (internal growth[1]: 28.4%), to €3,726 MN, benefiting from higher total assets under management and margins as well as increased performance fees.

Operating profit

2013 TO 2012 SECOND QUARTER COMPARISON

We achieved an *operating profit* of €804 MN, an increase of €229 MN, or 39.8% (internal growth[1]: 41.9%). This improvement demonstrates the positive operating leverage of our business development and the comparative benefit of lower restructuring charges versus those incurred in the second quarter of 2012.

Administrative expenses rose by €148 MN to €1,009 MN, mainly driven by higher personnel expenses in line with our business growth.

Our *cost-income ratio* improved by 5.9 percentage points to 55.7%. In the second quarter of 2012 the cost-income ratio was burdened by €61 MN restructuring charges compared to €2 MN in the same period in 2013. Excluding restructuring charges, the cost-income ratio improved by 1.9 percentage points. Stronger growth in net fee and commission income than in our operating expenses resulted in a further improvement of our cost-income ratio.

2013 TO 2012 FIRST HALF YEAR COMPARISON

Mainly benefiting from higher operating revenues, our *operating profit* increased by €516 MN, or 43.4%, to €1,704 MN (internal growth[1]: 45.1%).

Our *cost-income ratio* improved by 5.2 percentage points to 54.3%. Adjusted for restructuring charges, the cost-income ratio improved by 3.4 percentage points.

ASSET MANAGEMENT SEGMENT INFORMATION — A 29

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Management and loading fees	2,089	1,739	4,072	3,350
Performance fees	78	55	354	99
Other	12	31	39	68
Fee and commission income	**2,179**	**1,825**	**4,465**	**3,517**
Commissions	(349)	(318)	(725)	(592)
Other	(21)	(13)	(34)	(16)
Fee and commission expenses	**(370)**	**(331)**	**(759)**	**(608)**
Net fee and commission income	**1,809**	**1,494**	**3,706**	**2,909**
Net interest income[1]	4	6	8	12
Income from financial assets and liabilities carried at fair value through income (net)	–	(7)	7	7
Other income	2	4	5	8
Operating revenues	**1,815**	**1,497**	**3,726**	**2,936**
Administrative expenses (net), excluding acquisition-related expenses	(1,009)	(861)	(2,017)	(1,687)
Restructuring charges	(2)	(61)	(5)	(61)
Operating expenses	**(1,011)**	**(922)**	**(2,022)**	**(1,748)**
Operating profit	**804**	**575**	**1,704**	**1,188**
Cost-income ratio[2] in %	**55.7**	**61.6**	**54.3**	**59.5**

1 — Represents interest and similar income less interest expenses.
2 — Represents operating expenses divided by operating revenue.

1 — Operating revenues/operating profit adjusted for foreign currency translation and (de-)consolidation effects.

Corporate and Other

SECOND QUARTER 2013

Operating loss increased by €94 MN to €274 MN, driven by Holding & Treasury.

Segment overview

Corporate and Other encompasses the operations of Holding & Treasury, Banking and Alternative Investments. Holding & Treasury includes the management of and support for Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources and technology functions. Our banking products offered in Germany, Italy, France, the Netherlands and Bulgaria complement our insurance product portfolio. We also provide global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors, mainly on behalf of the Allianz Group.

Earnings summary

Our **operating result** worsened by €94 MN to a loss of €274 MN. This was driven by a €104 MN higher loss in Holding & Treasury. The operating result in Banking improved by €20 MN to a loss of €1 MN, whereas the operating result in Alternative Investments decreased from €13 MN to €4 MN.

Key figures

KEY FIGURES CORPORATE AND OTHER[1] A 30

€ MN three months ended 30 June	2013	2012	2011
Operating revenues	391	431	495
Operating expenses[2,3]	(665)	(611)	(675)
Operating result[2,3]	(274)	(180)	(180)

KEY FIGURES CORPORATE AND OTHER – IN DETAIL A 31

€ MN three months ended 30 June	2013	2012	2011
HOLDING & TREASURY			
Operating revenues	70	102	167
Operating expenses[2,3]	(347)	(275)	(310)
Operating result[2,3]	(277)	(173)	(143)
BANKING			
Operating revenues	280	289	295
Operating expenses[2,3,4]	(281)	(310)	(321)
Operating result[2,3]	(1)	(21)	(26)
ALTERNATIVE INVESTMENTS			
Operating revenues	42	43	35
Operating expenses[2,3]	(38)	(30)	(46)
Operating result[2,3]	4	13	(11)

1 — Consolidation included. For further information about our Corporate and Other segment, please refer to note 4 to the condensed consolidated interim financial statements.
2 — Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.
3 — As of the first quarter of 2013, all restructuring charges are presented within operating profit and all prior periods have been adjusted to conform to the current accounting presentation.
4 — Include loan loss provisions.

Earnings summaries by operations

HOLDING & TREASURY

2013 to 2012 second quarter comparison

Our *operating loss* increased from €173 MN to €277 MN, driven by higher administrative expenses and a lower net fee and commission result.

Administrative expenses (net), excluding acquisition-related expenses increased by €60 MN to €184 MN. This was mainly because of higher pension costs as a result of lower annual discount rates as well as an increase in other personnel costs.

Our *net fee and commission result* dropped by €44 MN to a loss of €47 MN due to new IT projects.

Holding & Treasury's *net interest result* was roughly stable at a loss of €33 MN (2Q 2012: €(31) MN) as lower yields resulted in a decline in both interest income and interest expenses. Our *interest and similar income* was down by €19 MN to €53 MN. *Interest expenses, excluding interest expenses from external debt,* decreased by €17 MN to €86 MN.

2013 to 2012 first half year comparison

Our *operating loss* within the Holding & Treasury segment increased from €430 MN to €444 MN. An increased net interest result was more than offset by higher administrative expenses and a deterioration in our net fee and commission result. Our net interest result benefited from a resumption of interest payments on our silent participation in Commerzbank in the first quarter as well as lower interest expenses for internal debt due to lower yields. Administrative expenses increased mainly because of higher pension costs, while our net fee and commission result declined because of costs related to new IT-projects incurred by our internal IT service provider.

BANKING

2013 to 2012 second quarter comparison

The *operating loss* decreased from €21 MN to €1 MN due to lower loan loss provisions. This was partly offset by a decline in the net interest result.

Our *loan loss provisions* were down from €42 MN to €15 MN, as the previous year's figure was burdened by increased loan loss provisions due to financial guarantees within certain unit-linked products related to peripheral sovereign bonds (which matured or were sold by the end of 2012).

Our *net interest, fee and commission result* decreased by €8 MN to €133 MN. Our *net interest result* deteriorated by €14 MN to €82 MN because of the low interest yield environment and a reduction in our exposure to government bonds. This decline was only partially compensated for by the €6 MN improvement in our *net fee and commission income* to €51 MN, which benefited from increased sales of insurance and investment-oriented products.

Administration expenses remained almost stable at €117 MN (2Q 2012: €118 MN).

2013 to 2012 first half year comparison

Our *operating loss* increased by €48 MN to €84 MN. The six-month development of our Banking segment was mainly driven by higher restructuring charges, which were only partly offset by lower loan loss provisions. The result suffered from restructuring charges of €90 MN related to the closure of the Allianz Bank's business operations. In this context, it is worth mentioning again that our restructuring charges have been presented within operating profit since the beginning of 2013. Excluding these charges, the operating profit in Banking would have improved from a loss of €36 MN in the first half year of 2012 to a profit of €6 MN.

ALTERNATIVE INVESTMENTS

2013 to 2012 second quarter comparison

Our *operating result* declined from €13 MN to €4 MN mainly due to €6 MN higher *administrative expenses* compared to the second quarter of 2012. A €4 MN lower net interest result also contributed to this development.

2013 to 2012 first half year comparison

Our *operating result* improved by €3 MN to €15 MN, driven by the first quarter.

Outlook

- Global economic picture remains mixed.
- Eurozone economy expected to stabilize.
- Our outlook for the Allianz Group's operating profit is unchanged at €9.2 BN plus or minus €0.5 BN.

Economic outlook[1]

As we move into the second half of 2013, the global economic picture remains mixed. Overall, global output is expected to grow moderately by 2.4% this year, following a rise of 2.3% in 2012. However, different regions are advancing at very different speeds. Although emerging market economies have lost steam in recent quarters, with an increase in GDP of just below 5%, real growth in these countries will still be considerably higher than in the industrialized world. In the Eurozone, we expect to see the economy stabilize during the course of the year. Sentiment indices now paint a friendlier picture, the drop in inflation is buoying private consumption, substantial macroeconomic adjustments are evident in peripheral countries and there are signs of an economic acceleration in Germany. All these factors point to a recovery. The economic rebound in the Eurozone is likely to continue well into 2014, leading to real GDP growth of 1.5% for 2014 as a whole. Supported by brighter economic conditions in the single currency zone, the German economy could expand by about 2% next year. Overall, we see global output increasing by slightly more than 3% in 2014. Given modest growth perspectives worldwide and taking into account the dire unemployment situation in many industrialized countries – which dampens wage pressure – inflation is likely to remain subdued on a global level both this year and next.

We expect to see a gradual exit from crisis mode in monetary policy led by the U.S. central bank reining in its asset purchases. Although monetary policy is expected to remain highly accommodative, financial markets are likely to react with increased uncertainty and volatility. The return to normality could well be accompanied by some turbulent swings in equity, bonds or commodity markets – as we witnessed in May when, after several promising weeks on the financial markets, jitters returned and volatility rose markedly. There are two major reasons for this anxiety: The risky Japanese monetary policy experiment to double the monetary base with its knock-on impact on exchange rates, and the rumblings about an imminent Federal Reserve exit from quantitative easing. Yields on U.S. and German government bonds increased considerably, reaching 1.8% and 2.7% respectively in June. Spreads on government bonds from the Eurozone periphery widened, too. As of late, yields have again retreated somewhat, helped by the European Central Bank (ECB) announcement in early July that it would keep key interest rates at current or lower levels for an extended period. Although recent political turmoil in Portugal and Greece has shown that the Euro crisis is not yet over, we expect it to continue to abate. With short-term rates close to zero, there are limited prospects of a sharp rise in yields on longer-term bonds. We expect yields on 10-year German and U.S. government bonds merely to climb to slightly above 2% and close to 3% respectively by the end of 2014. With growth in the United States set to outpace that in the Eurozone and the expectation that the Federal Reserve will exit from its very expansionary monetary policy earlier than the ECB, the Dollar is likely to appreciate against the Euro in the coming months. However, in the course of 2014, with growth in Europe catching up, the Euro should move up again.

Besides a possible renewed escalation of the Eurozone sovereign debt crisis, there are other negative factors that could jeopardize the global outlook. The key hotspots remain the political situation in North Africa and the Middle East. Rising geopolitical tensions could exert a considerable drag on the global economy, not least if these spark a sharp rise in crude oil prices.

1 — The information presented in the sections Economic outlook, Insurance industry outlook and Asset management industry outlook is based on our own estimates.

Insurance industry outlook

While financial markets remain volatile, economic growth is set to accelerate in 2013 and particularly in 2014. This is good news for insurance markets. However, growth momentum in industrialized countries will remain moderate. We expect that insurance markets in Western Europe, after two consecutive years of falling premiums, will stabilize in 2013 and return to modest growth in 2014. The U.S. market should also continue its slow upswing. On the other hand, in 2013 and 2014 we expect to see double-digit growth in emerging markets. Against this backdrop, we forecast that insurance profits will stay under pressure, as the effects of a lower investment yield environment as well as volatile financial markets take their toll. However, in the longer term there is the potential for growth and improved earnings should interest rates and yields increase.

In the *property-casualty* sector, relatively stable premium growth should continue both in the second half of 2013 and in 2014. However, while growth in the previous year was mainly driven by rising premium rates, for the rest of 2013 and 2014 the main driver will be the expected uptick in economic activity which bolsters demand for insurance coverage. In particular in the emerging markets, robust economic advances, rising household incomes and heightened risk awareness will drive stronger premium growth for the foreseeable future leading to double-digit rises in emerging Asia and Latin America. Globally, we expect nominal premium revenue to climb in the 3–5% range per annum in 2013 and 2014.

The *life* sector was severely hit by the unfavorable market conditions of recent years, particularly in Europe. In 2013, we expect premium growth to recover across the board. Western Europe will remain the weakest region in terms of growth with some markets still shrinking. Not until 2014 will all European markets start to advance. Resumed growth will go hand in hand with a changing business mix which is set to evolve towards more attractive unit-linked and protection business if interest rates stay at their low levels – as anticipated. On the other hand, growth in emerging markets – which is driven by higher incomes and the rising demand for social protection – is likely to accelerate considerably. Again emerging Asia and Latin America are the growth champions with double-digit growth expected in the course of 2013 and 2014. All in all, we expect that global nominal premium revenue will rise in the 4–6% range per annum in 2013 and 2014.

Asset management industry outlook

The outlook for the *asset management* industry for 2013 and beyond remains uncertain. Although there are signs of a slow recovery in the global economy and of a gradually receding European sovereign debt crisis, helped by massive liquidity support from major central banks, financial markets in developed countries are still plagued by uncertainty and capital markets are expected to be vulnerable to potential setbacks in the near future.

The recent sharp rise in yields on U.S. Treasuries was a timely reminder of the high uncertainty surrounding the unwinding of quantitative easing. Therefore, net inflows are expected to stay volatile as investors are likely to remain cautious, shifting their funds between high- and low-risk assets as sentiment ebbs and flows.

The upside potential for market-driven growth in the asset management industry will be limited in both the fixed income and the equity areas for as long as GDP growth rates in major developed countries continue to lag behind long-term trends.

Besides the uncertainty in the investment climate, the wave of regulatory change – particularly in the consumer protection and transparency fields – will put further pressure on the industry and may even trigger changes in business models and the way funds are sold. Furthermore, complying with increased regulatory oversight and reporting requirements risks pushing up operational costs, amplifying the need for strict cost control. Fierce competition between money managers is only going to increase. Given this batch of challenges, we expect the industry's profitability to remain under pressure.

In such an environment, money managers' ability to grow is dependent on achieving above benchmark investment results, offering diverse and comprehensive investment products and upping the scale and efficiency of their operations.

Outlook for the Allianz Group

We are confident about staying on course towards profitable growth during the rest of 2013. However, as we witnessed in the first six months, unfavorable developments in the business environment can have adverse impacts on aspects of our performance. It would therefore be inappropriate to simply annualize the current half year's operating profit and net income to arrive at an expected result for the full year. Although we believe we are well prepared to meet the potential challenges – and the strong half year results might lead us to feel overall more optimistic – due to the volatile capital markets and the low interest rate environment we see no need for an adjustment of our published Allianz Group operating profit outlook for 2013 of €9.2 BN plus or minus €0.5 BN.

As always, natural catastrophes and adverse developments in the capital markets, as well as factors stated in our cautionary note regarding forward-looking statements, may severely affect the results of our operations.

Cautionary note regarding forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (I) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (II) performance of financial markets (particularly market volatility, liquidity and credit events) (III) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (IV) mortality and morbidity levels and trends, (V) persistency levels, (VI) particularly in the banking business, the extent of credit defaults, (VII) interest rate levels, (VIII) currency exchange rates including the Euro/U.S. Dollar exchange rate, (IX) changes in laws and regulations, including tax regulations, (X) the impact of acquisitions, including related integration issues, and reorganization measures, and (XI) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.

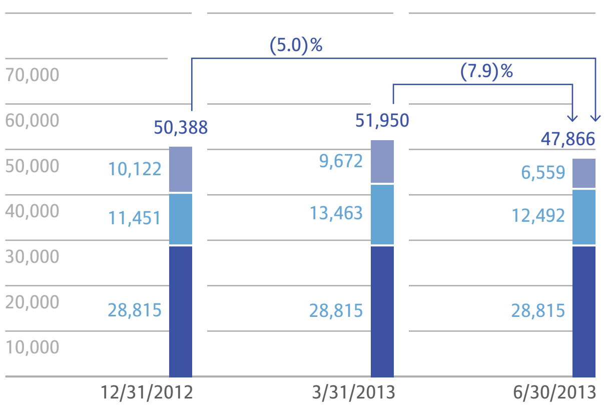
Balance Sheet Review

– Shareholders' equity decreased by €2.5 BN to €47.9 BN.[1]
– Solvency ratio still strong at 177%, but impacted by redemption of a subordinated bond.[2]

Shareholders' equity[1,3]

SHAREHOLDERS' EQUITY A 32

€ MN



Paid-in-capital ■ Retained earnings (includes foreign currency effects)
■ Unrealized gains/losses (net)

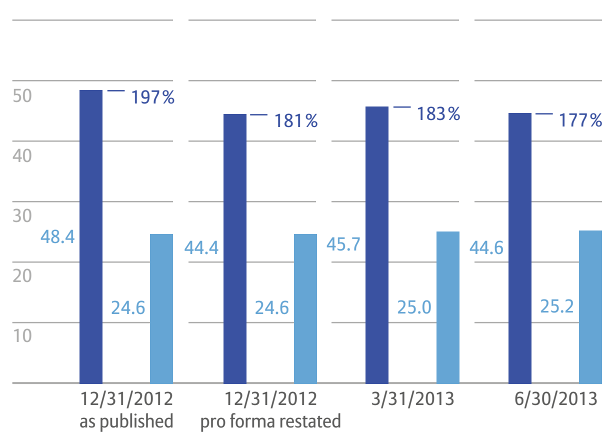
As of 30 June 2013, ***shareholders' equity*** amounted to €47,866 MN, a decrease of €2,522 MN compared to 31 December 2012 (as restated).[1] This decrease was largely driven by a €3,563 MN decrease in unrealized gains – predominantly on debt securities – due to a rise in interest yields and, to a much lesser extent, realizations. The payout of dividends of €2,039 MN was more than offset by the net income attributable to shareholders of €3,295 MN in the first six months of 2013. The decline in equity from negative foreign currency translation adjustments of €231 MN was mainly driven by the strengthening of the Euro against the Australian Dollar and British Pound.

Regulatory capital adequacy

The Allianz Group is a financial conglomerate within the scope of the E.U. Financial Conglomerates Directive and the related German law in force since 2005. The law requires that financial conglomerates calculate the capital available to meet their solvency requirements on a consolidated basis, which we refer to as "eligible capital".

CONGLOMERATE SOLVENCY[1] A 33

€ BN



Solvency ratio ■ Eligible capital ■ Requirement

1 — Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 June 2013 would be 168% (31 March 2013: 174%; 31 December 2012 (pro forma restated): 171%, 31 December 2012 (as published): 188%).

1 — As of 1 January 2013, our shareholders' equity decreased by €3.2 BN due to the amendments to IAS 19. Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.
2 — Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 June 2013 would be 168% (31 March 2013: 174%; 31 December 2012 (pro forma restated): 171%, 31 December 2012 (as published): 188%).
3 — This does not include non-controlling interests of €2,558 MN, €2,671 MN and €2,575 MN as of 30 June 2013, 31 March 2013 and 31 December 2012, respectively. For further information, please refer to note 20 to the condensed consolidated interim financial statements. Retained earnings include foreign currency translation effects of €(2,304) MN, €(1,801) MN and €(2,073) MN as of 30 June 2013, 31 March 2013 and 31 December 2012, respectively.

Compared to 31 December 2012, our *conglomerate solvency ratio* dropped from 197% to 177%. The Group's eligible capital for solvency purposes decreased by €3.8 BN to €44.6 BN, including off-balance sheet reserves of €2.3 BN (31 December 2012: €2.2 BN). Of this, €4.0 BN was related to amendments to IAS 19, effective from 1 January 2013. The redemption of a subordinated bond led to a further decline of €1.5 BN. These effects could only be partially compensated for by our net income (net of accrued dividends) of €2.0 BN. The required funds went up by €0.6 BN to €25.2 BN, due to higher aggregate policy reserves in Life/Health and growth in our Asset Management business. As a result, our eligible capital exceeded the minimum legally stipulated level by €19.4 BN.

Total assets and total liabilities[1]

In the following sections, we show the asset allocation for our insurance portfolio and analyze important developments in the balance sheets of our segments.

As of 30 June 2013, total assets amounted to €698.2 BN and total liabilities were €647.8 BN. Compared to year-end 2012, total assets and total liabilities increased by €3.8 BN and €6.3 BN, respectively.

This section mainly focuses on our financial investments in debt instruments, equities, real estate and cash and other as well as our insurance reserves and external financing, since these reflect the major developments in our balance sheet.

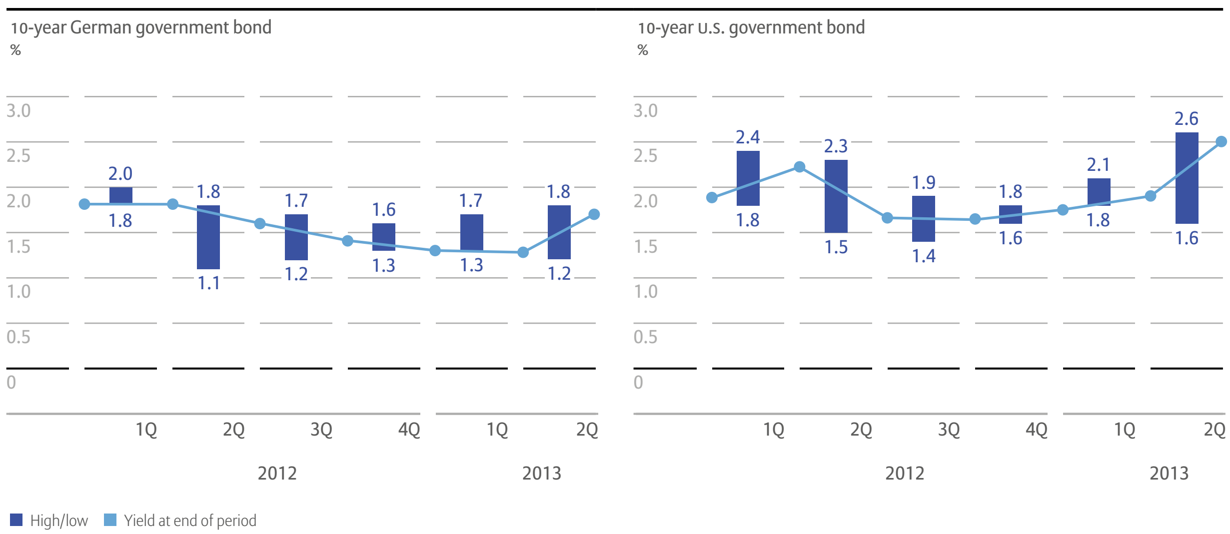
MARKET ENVIRONMENT OF DIFFERENT ASSET CLASSES

In the second quarter of 2013 we saw significant increases in many major bond yields. 10-year German and U.S. government bond yields increased by 45 BPS and 63 BPS, respectively. By contrast, Spanish and Italian government bond yields declined in the same period by 21 BPS and 33 BPS, respectively.

During the first quarter of 2013 almost all major equity markets developed positively. However, equity markets developed non-uniformly in the second quarter.

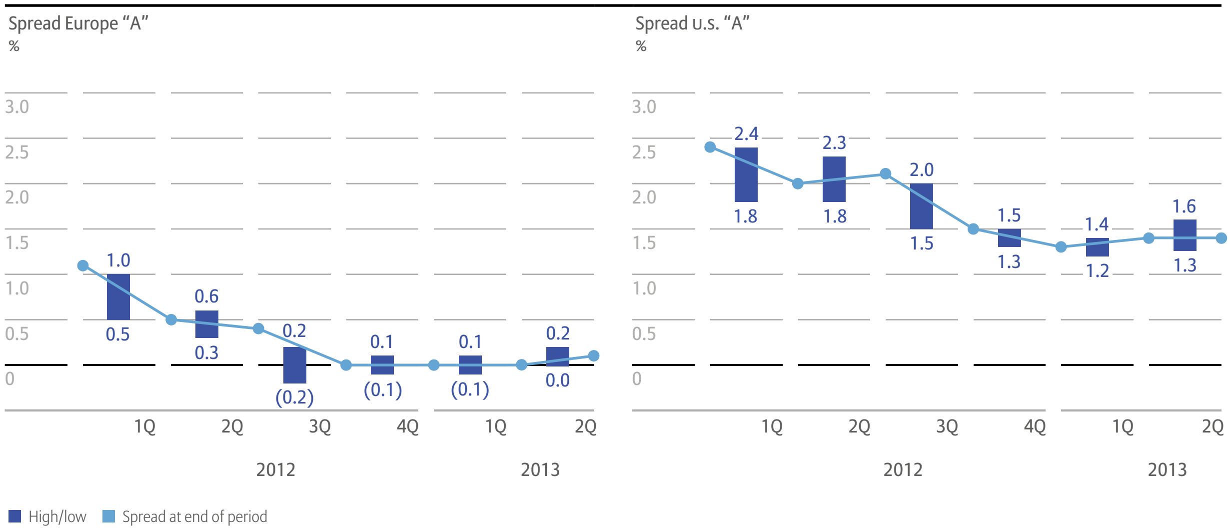
During the first six months of 2013 *credit spreads* for A-rated debtors in the Eurozone and the United States widened.

INTEREST RATES DEVELOPMENT IN 2012 AND THE FIRST SIX MONTHS OF 2013 A 34



1 — Prior period figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 2 to the condensed consolidated interim financial statements.

CREDIT SPREADS DEVELOPMENT IN 2012 AND THE FIRST SIX MONTHS OF 2013 A 35

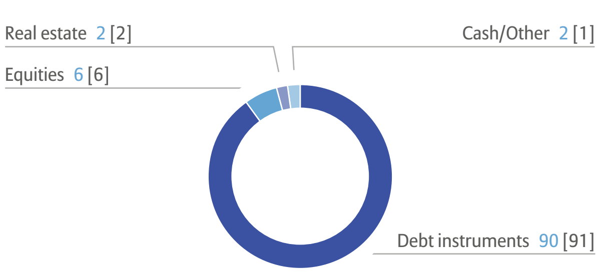


STRUCTURE OF INVESTMENTS – PORTFOLIO OVERVIEW

The Allianz Group's investment portfolio is mainly determined by our core business of insurance. The following portfolio overview covers the insurance segments and the non-banking assets of the Corporate and Other segment.

ASSET ALLOCATION A 36

Investment portfolio as of 30 June 2013: €504.1 BN
[as of 31 December 2012: €507.5 BN] in %



Compared to 31 December 2012, our investment portfolio had decreased by €3.4 BN to €504.1 BN as of 30 June 2013. This was mainly due to declines in the fair values of bonds as a result of increased interest rates and was partly offset by reinvested interest payments.

Our gross exposure to *equities* accounted for 6% of our investment portfolio and increased slightly to €30.4 BN (31 December 2012: €29.6 BN). Realizations were more than compensated for by positive market developments in the first half of 2013. Our equity gearing – a ratio of our equity holdings allocated to the shareholder after policyholder participation and hedges to shareholders' equity plus off-balance sheet reserves less goodwill – increased one percentage point to 24%.

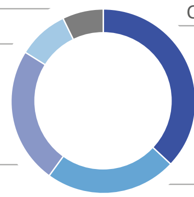
The vast majority (90%) of our investment portfolio is comprised of diversified *debt instruments,* which amounted to €456.1 BN as of 30 June 2013. Compared to year-end 2012, our debt instruments decreased by €4.7 BN, primarily driven by declines in the fair values of bonds as a result of rising interest rates. About 95% of our portfolio of debt instruments[1] was invested in investment-grade bonds and loans.

Our exposure to *real estate* held for investment slightly increased from €9.7 BN as of 31 December 2012 to €9.9 BN at the end of the reporting period due to additional investments.

1 — Excluding self-originated private retail mortgage loans. For 2%, no ratings were available.

FIXED INCOME PORTFOLIO A 37

Total fixed income portfolio as of 30 June 2013: €456.1 BN
[as of 31 December 2012: €460.8 BN] in %



Compared to the end of 2012, the allocation of our fixed income portfolio – totaling €456.1 BN – remained quite stable, with a slight increase in corporate bonds driven by new investments.

Our *government bond exposure* amounted to €169.6 BN as of 30 June 2013. This represented a decline of €4.6 BN and was driven by market effects. This exposure was 37% of our fixed income portfolio. Our sovereign exposure in Italy and Spain equaled 6.3% and 0.5% of our fixed income portfolio, respectively. The corresponding unrealized gains (gross) amounted to €1,207 MN in Italy and €48 MN in Spain. Our government bond exposure in Portugal remained limited and we reduced substantially all our exposure in Greece and Ireland.

Our *covered bonds* totaled €103.7 BN, representing 23% of our fixed income portfolio. Of this, 49% was allocated to German Pfandbriefe, backed by either public sector loans or mortgage loans. Another 16% and 9% of the covered bonds portfolio were allocated to France and Spain, respectively. Covered bonds provide a cushion against real estate price deterioration and payment defaults through minimum required security buffers and over-collateralization.

We reduced our exposure to subordinated securities in banks by €1.5 BN to €5.2 BN, in both Tier 1 and Tier 2 shares.

4% of our fixed income portfolio was invested in asset-backed securities (ABS), which amounted to €18.5 BN (31 December 2012: €19.5 BN). The decrease of €1.0 BN was mainly due to sales of mortgage-backed securities (MBS) issued by U.S. agencies within our U.S. Life/Health segment. These are backed by the U.S. government, and represented 17% of ABS securities – down by 4 percentage points. In total, 77% of our ABS were related to MBS. 96% of the total ABS portfolio received an investment grade rating, with 88% rated "AA" or better (31 December 2012: 88%).

INVESTMENT RESULT

NET INVESTMENT INCOME A 38

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Interest and similar income (net)[1]	5,310	5,371	10,367	10,380
Income from financial assets and liabilities carried at fair value through income (net)	(700)	(184)	(925)	(90)
Realized gains/losses (net)	1,191	1,115	2,337	2,303
Impairments of investments (net)	(182)	(422)	(316)	(610)
Investment expenses	(217)	(216)	(425)	(413)
Net investment income	**5,402**	**5,664**	**11,038**	**11,570**

1 — Net of interest expenses (excluding interest expenses from external debt).

2013 to 2012 second quarter comparison

Our *net investment income* declined 4.6% to €5,402 MN. Lower impairments on investments and slightly increased realized gains were more than offset by a negative development in our income from financial assets and liabilities carried at fair value through income (net).

Income from financial assets and liabilities carried at fair value through income (net) decreased by €516 MN to a loss of €700 MN. This decrease was predominantly due to losses from the net of foreign currency translation effects and financial derivatives that are used to protect against equity and foreign currency fluctuations as well as to manage duration and other interest rate-related exposures mainly within our German Life/Health business. This drop was partly offset by a less unfavorable impact related to annuity and guaranteed benefit features in the United States and a more favorable impact of equity market performance on our Fair Value Option assets, primarily in France.

Impairments (net) more than halved from €422 MN to €182 MN in the second quarter of 2013 as the previous year's quarter was burdened by higher impairments of our equity investments in the financial sector.

Realized gains and losses (net) increased by €76 MN to €1,191 MN due to higher equity realizations which were only partly offset by decreased realized gains on debt instruments, mainly within our Life/Health segment and to a lesser extent on real estate held for investment.

Our *interest and similar income (net)*[1] decreased only 1.1% to €5,310 MN and held up well in a low-yield environment.

Investment expenses (net) remained almost unchanged at €217 MN (2Q 2012: €216 MN).

2013 to 2012 first half year comparison

As in the second quarter comparison, our *net investment income* declined on a six-month basis by 4.6% due to a significant decrease in income from financial assets and liabilities carried at fair value through income (net). This was only partly compensated for by lower impairments on investments.

Several effects led to a €835 MN decrease in *income from financial assets and liabilities carried at fair value through income (net)* to a loss of €925 MN. €180 MN of the decrease relates to income from The Hartford warrants recorded in the first quarter of 2012, which were sold in April 2012. The rest of the decrease was primarily attributable to losses from the net of foreign currency translation effects and financial derivatives that are used to protect against equity and foreign currency fluctuations as well as to manage duration and other interest rate-related exposures mainly within our German Life/Health business.

Impairments (net) decreased from €610 MN to €316 MN as the previous year had a higher burden of impairments of financial sector investments.

Interest and similar income (net)[1], *realized gains and losses (net)* and *investment expenses (net)* were roughly stable.

1 — Net of interest expenses (excluding interest expenses from external debt).

ASSETS AND LIABILITIES OF THE PROPERTY-CASUALTY SEGMENT

Property-Casualty assets

The segment's asset base was down by €2.1 BN to €103.2 BN as of 30 June 2013. This was mainly due to a decline in loans and advances to banks and customers and to a lesser extent to decreased debt securities.

COMPOSITION OF ASSET BASE — FAIR VALUES[1] A 39

€ BN

	as of 30 June 2013	as of 31 December 2012
Financial assets and liabilities carried at fair value through income		
Equities	0.3	0.3
Debt securities	0.1	0.2
Other[2]	0.1	–
Subtotal	**0.5**	**0.5**
Investments[3]		
Equities	4.5	3.9
Debt securities	68.9	69.8
Cash and cash pool assets[4]	5.0	5.1
Other	7.9	7.7
Subtotal	**86.3**	**86.5**
Loans and advances to banks and customers	**16.4**	**18.3**
Property-Casualty asset base	**103.2**	**105.3**

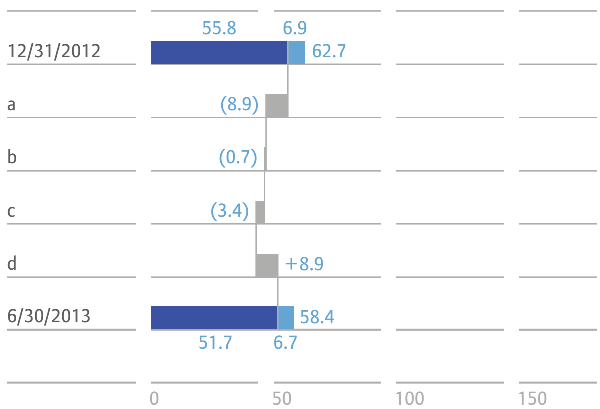
1 — Loans and advances to banks and customers, held-to-maturity investments and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending on – among other factors – our ownership percentage.
2 — This comprises assets of €0.2 BN and €0.1 BN and liabilities of €(0.1) BN and €(0.1) BN as of 30 June 2013 and 31 December 2012, respectively.
3 — These do not include affiliates of €8.8 BN and €8.8 BN as of 30 June 2013 and 31 December 2012, respectively.
4 — Including cash and cash equivalents, as stated in our segment balance sheet of €3.7 BN and €2.7 BN and receivables from cash pooling amounting to €2.9 BN and €2.8 BN, net of liabilities from securities lending and derivatives of €(0.4) BN and €(0.2) BN, as well as liabilities from cash pooling of €(1.2) BN and €(0.2) BN as of 30 June 2013 and 31 December 2012, respectively.

As of 30 June 2013, ABS investments within our Property-Casualty asset base amounted to €3.7 BN, representing 3.6% of its asset base.

Property-Casualty liabilities

DEVELOPMENT OF RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES[1] A 40

€ BN



a Loss and loss adjustment expenses paid in current year relating to previous years
b Loss and loss adjustment expenses incurred in previous years
c Foreign currency translation adjustments and other changes, changes in the consolidated subsidiaries of the Allianz Group and reclassifications
d Reserves for loss and loss adjustment expenses in current year

Reserves net | Reserves ceded | Changes

1 — After group consolidation. For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment, please refer to note 15 to the condensed consolidated interim financial statements.

Compared to 31 December 2012, the segment's gross reserves for loss and loss adjustment expenses had decreased by €4.3 BN to €58.4 BN as of 30 June 2013. On a net basis, our reserves amounted to €51.7 BN, down by €4.1 BN. A reclassification effect due to changes in our presentation contributed €2.9 BN to the decrease. Effective from 1 January 2013, the Allianz Group changed its presentation of discounted loss reserves in the consolidated balance sheet from the line item "Reserves for loss and loss adjustment expenses" to the line item "Reserves for insurance and investment contracts".[1] Foreign currency translation effects amounted to €(0.4) BN. Excluding both effects, the net reserves decreased €0.8 BN.

1 — For further information on the changes in presentation, please refer to note 2 to the condensed consolidated interim financial statements.

ASSETS AND LIABILITIES OF THE LIFE/HEALTH SEGMENT

Life/Health assets

In total, our Life/Health asset base remained almost unchanged at €473.5 BN (31 December 2012: €472.3 BN).

COMPOSITION OF ASSET BASE — FAIR VALUES A 41

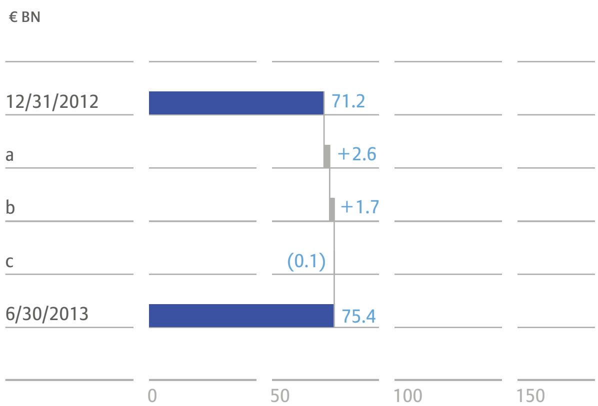
€ BN

	as of 30 June 2013	as of 31 December 2012
Financial assets and liabilities carried at fair value through income		
Equities	1.8	2.1
Debt securities	2.3	2.3
Other[1]	(4.5)	(3.5)
Subtotal	**(0.4)**	**0.9**
Investments[2]		
Equities	24.7	24.1
Debt securities	265.4	266.4
Cash and cash pool assets[3]	7.1	5.7
Other	9.2	9.9
Subtotal	**306.4**	**306.1**
Loans and advances to banks and customers	**92.1**	**94.1**
Financial assets for unit-linked contracts[4]	**75.4**	**71.2**
Life/Health asset base	**473.5**	**472.3**

1 — This comprises assets of €1.1 BN and €1.7 BN and liabilities (including the market value liability option) of €(5.6) BN and €(5.2) BN as of 30 June 2013 and 31 December 2012, respectively.
2 — These do not include affiliates of €0.8 BN and €0.7 BN as of 30 June 2013 and 31 December 2012, respectively.
3 — Including cash and cash equivalents, as stated in our segment balance sheet, of €6.7 BN and €5.6 BN and receivables from cash pooling amounting to €2.0 BN and €2.6 BN, net of liabilities from securities lending and derivatives of €(1.5) BN and €(1.5) BN, as well as liabilities from cash pooling of €(0.1) BN and €(1.0) BN as of 30 June 2013 and 31 December 2012, respectively.
4 — Financial assets for unit-linked contracts represent assets owned by, and managed on behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts. The International Financial Reporting Standards (IFRS) require the classification of any contract written by an insurance company either as an insurance contract or as an investment contract, depending on whether an insurance component is included. This requirement also applies to unit-linked products. In contrast to unit-linked investment contracts, unit-linked insurance contracts include coverage for significant mortality or morbidity risk.

As of 30 June 2013, the Life/Health asset base included ABS of €14.3 BN, representing 3.0% of its asset base.

FINANCIAL ASSETS FOR UNIT-LINKED CONTRACTS[1] A 42



a Change in unit-linked insurance contracts
b Change in unit-linked investment contracts
c Foreign currency translation adjustments

■ Financial assets for unit-linked contracts ■ Changes

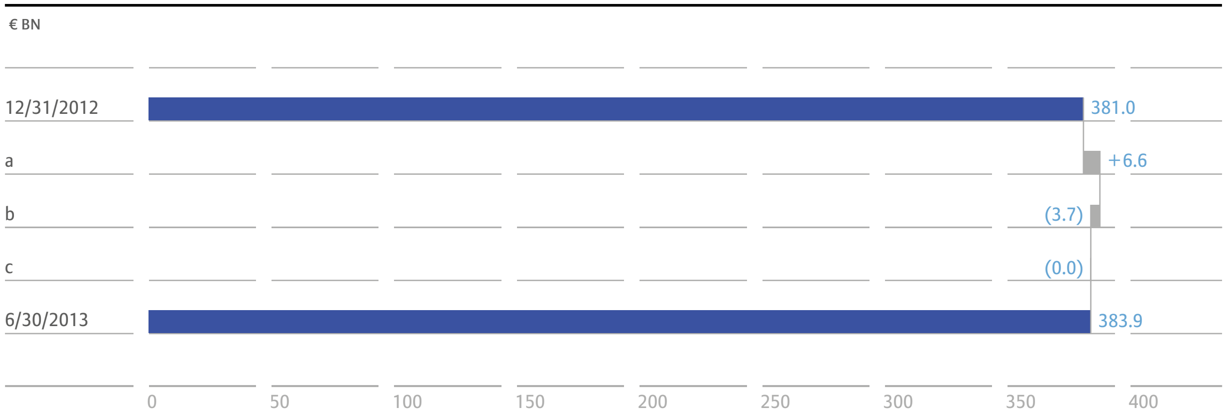
1 — Financial assets for unit-linked contracts represent assets owned by, and managed on behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts. The International Financial Reporting Standards (IFRS) require the classification of any contract written by an insurance company either as an insurance contract or as an investment contract, depending on whether an insurance component is included. This requirement also applies to unit-linked products. In contrast to unit-linked investment contracts, unit-linked insurance contracts include coverage for significant mortality or morbidity risk.

Financial assets for unit-linked contracts increased by €4.2 BN, or 5.9%, to €75.4 BN. Unit-linked insurance contracts increased by €2.6 BN to €52.6 BN due to good fund performance (€1.6 BN) and premium inflows exceeding outflows by €1.8 BN. Unit-linked investment contracts increased by €1.7BN to €22.8 BN, with €1.9 BN net premium inflows. The main drivers of currency effects were the stronger U.S. Dollar (€0.3 BN), offset by weaker Asian currencies (€(0.4) BN).[1]

Life/Health liabilities

Life/Health reserves for insurance and investment contracts increased by €2.9 BN, or 0.8%, to €383.9 BN in the first half of 2013. The €6.6 BN increase in aggregate policy reserves was mainly driven by our operations in Germany (€4.5 BN), Switzerland (€0.6 BN before currency effects), the United States (€0.4 BN before currency effects), Luxembourg (€0.4 BN) and Belgium (€0.3 BN). Reserves for premium refunds decreased by €3.7 BN due to lower unrealized gains to be shared with policyholders. In terms of the currency impact, the stronger U.S. Dollar (€0.7 BN) was offset by the weakening of Asian currencies (€(0.5) BN) and the Swiss Franc (€(0.2) BN).[1]

DEVELOPMENT OF RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS A 43



a Change in aggregate policy reserves
b Change in reserves for premium refunds
c Foreign currency translation adjustments

■ Reserves ■ Changes

1 — Based on the closing rate of the respective balance sheet dates.

ASSETS AND LIABILITIES OF THE ASSET MANAGEMENT SEGMENT

Asset Management assets

Our Asset Management segment's results are derived primarily from third-party asset management. In this section, we refer only to the segment's own assets.[1]

The main components of the Asset Management segment's asset base were cash and cash pool assets and debt securities. The segment's asset base had increased by €0.8 BN to €4.6 BN as of 30 June 2013 compared to 31 December 2012. This increase was completely due to higher cash and cash pool assets.

Asset Management liabilities

Liabilities in our Asset Management segment decreased from €4.4 BN to €4.2 BN.

ASSETS AND LIABILITIES OF THE CORPORATE AND OTHER SEGMENT

Corporate and Other assets

Compared to 31 December 2012 our Corporate and Other segment's asset base decreased by €2.0 BN to €40.0 BN. This decline was mainly driven by a decrease in debt securities and cash and cash pool assets, but also by lower equities. This was only partially offset by higher loans and advances to banks and customers.

COMPOSITION OF ASSET BASE – FAIR VALUES A 44

€ BN

	as of 30 June 2013	as of 31 December 2012
Financial assets and liabilities carried at fair value through income		
Equities	–	–
Debt securities	–	–
Other[1]	(0.5)	(0.2)
Subtotal	**(0.5)**	**(0.2)**
Investments[2]		
Equities	1.3	1.7
Debt securities	22.5	23.8
Cash and cash pool assets[3]	(1.4)	(0.4)
Other	0.2	0.2
Subtotal	**22.6**	**25.3**
Loans and advances to banks and customers	**17.9**	**16.9**
Corporate and Other asset base	**40.0**	**42.0**

1 — This comprises assets of €0.1 BN and €0.2 BN and liabilities of €(0.6) BN and €(0.4) BN as of 30 June 2013 and 31 December 2012, respectively.
2 — These do not include affiliates of €74.5 BN and €74.3 BN as of 30 June 2013 and 31 December 2012, respectively.
3 — Including cash and cash equivalents, as stated in our segment balance sheet, of €3.1 BN and €4.2 BN and receivables from cash pooling amounting to €0.6 BN and €0.2 BN, net of liabilities from securities lending and derivatives of €(0.1) BN and €(0.1) BN, as well as liabilities from cash pooling of €(5.0) BN and €(4.7) BN as of 30 June 2013 and 31 December 2012, respectively.

As of 30 June 2013, the Corporate and Other segment's asset base included ABS of €0.5 BN, which represents 1.3% of the segment's asset base.

Corporate and Other liabilities

Participation certificates and subordinated liabilities decreased by €1.5 BN to €10.1 BN as Allianz SE called for redemption and repaid a subordinated bond with a nominal amount of U.S. Dollar 2.0 BN and a coupon of 8.375% in the second quarter. Certificated liabilities declined from €14.7 BN to €14.0 BN. Other liabilities decreased by €0.5 BN to €21.3 BN.[2]

1 — For further information on the development of these third-party assets, please refer to the Asset Management chapter.

2 — For further information on Allianz SE debt as of 30 June 2013, please refer to notes 18 and 19 to the condensed consolidated interim financial statements.

ALLIANZ SE BONDS[1] OUTSTANDING AS OF 30 JUNE 2013 AND INTEREST EXPENSES FOR THE FIRST SIX MONTHS OF 2013

A 45

1. SENIOR BONDS[2]		
4.0% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€1.5 BN	
Year of issue	2006	
Maturity date	11/23/2016	
ISIN	XS 027 588 026 7	
Interest expenses		€30.8 MN
1.375% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€0.5 BN	
Year of issue	2013	
Maturity date	3/13/2018	
ISIN	DE000A1HG1J8	
Interest expenses		€2.1 MN
4.75% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€1.5 BN	
Year of issue	2009	
Maturity date	7/22/2019	
ISIN	DE 000 A1A KHB 8	
Interest expenses		€36.5 MN
3.5% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€1.5 BN	
Year of issue	2012	
Maturity date	2/14/2022	
ISIN	DE 000 A1G 0RU 9	
Interest expenses		€26.8 MN
3.0% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€0.75 BN	
Year of issue	2013	
Maturity date	3/13/2028	
ISIN	DE000A1HG1K6	
Interest expenses		€7.1 MN
4.5% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	GBP 0.75 BN	
Year of issue	2013	
Maturity date	3/13/2043	
ISIN	DE000A1HG1L4	
Interest expenses		€12.0 MN
Total interest expenses for senior bonds		**€115.3 MN**
2. SUBORDINATED BONDS[3]		
6.5% bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€1.0 BN	
Year of issue	2002	
Maturity date	1/13/2025	
ISIN	XS 015 952 750 5	
Interest expenses		€32.9 MN
5.75% bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€2.0 BN	
Year of issue	2011	
Maturity date	7/8/2041	
ISIN	DE 000 A1GNAH1	
Interest expenses		€57.7 MN
5.625% bond issued by Allianz SE		
Volume	€1.5 BN	
Year of issue	2012	
Maturity date	10/17/2042	
ISIN	DE 000 A1RE1Q3	
Interest expenses		€42.7 MN
5.5% bond issued by Allianz SE		
Volume	€1.5 BN	
Year of issue	2004	
Maturity date	PERPETUAL BOND	
ISIN	XS 018 716 232 5	
Interest expenses		€41.9 MN
4.375% bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€1.4 BN	
Year of issue	2005	
Maturity date	PERPETUAL BOND	
ISIN	XS 021 163 783 9	
Interest expenses		€31.5 MN
5.375% bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€0.8 BN	
Year of issue	2006	
Maturity date	PERPETUAL BOND	
ISIN	DE 000 A0G NPZ 3	
Interest expenses		€21.3 MN
5.5% bond issued by Allianz SE		
Volume	USD 1.0 BN	
Year of issue	2012	
Maturity date	PERPETUAL BOND	
ISIN	XS 085 787 2500	
Interest expenses		€22.1 MN
Total interest expenses for subordinated bonds		**€250.1 MN**
3. ISSUES REDEEMED IN 2013		
8.375% bond issued by Allianz SE		
Volume	USD 2.0 BN	
Year of issue	2008	
Maturity date	PERPETUAL BOND	
ISIN	US 018 805 200 7	
Interest expenses		€62.6 MN
4. ISSUES MATURED IN 2013		
5.0% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€1.5 BN	
Year of issue	2008	
Maturity date	3/6/2013	
ISIN	DE 000 A0T R7K 7	
Interest expenses		€13.5 MN
Sum of interest expenses[1]		**€441.5 MN**
Interest expenses from external debt not presented in the table		€32.5 MN
Total interest expenses from external debt		**€474.0 MN**

1 — For further information on Allianz SE debt (issued or guaranteed) as of 30 June 2013, please refer to notes 18 and 19 to the condensed consolidated interim financial statements.
2 — Senior bonds provide for early termination rights in case of non-payment of amounts due under the bond (interest and principal) as well as in case of insolvency.
3 — The terms of the subordinated bonds do not explicitly provide for early termination rights in favor of the bondholder. Interest payments are subject to certain conditions which are linked, inter alia, to our net income, and may have to be deferred. Nevertheless, the terms of the relevant bonds provide for alternative settlement mechanisms which allow us to avoid an interest deferral using cash raised from the issuance of specific newly issued instruments.

Reconciliations

The previous analysis is based on our condensed consolidated interim financial statements and should be read in conjunction with them. In addition to our stated figures according to the International Financial Reporting Standards (IFRS), the Allianz Group uses operating profit and internal growth to enhance the understanding of our results. These additional measures should be viewed as complementary to, and not as a substitute for, our figures determined according to IFRS.

For further information, please refer to note 4 to the condensed consolidated interim financial statements.

Composition of total revenues

Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).

COMPOSITION OF TOTAL REVENUES

A 46

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Property-Casualty				
Gross premiums written	**10,754**	**10,726**	**25,951**	**25,523**
Life/Health				
Statutory premiums	**14,125**	**12,861**	**28,962**	**26,560**
Asset Management				
Operating revenues	**1,815**	**1,497**	**3,726**	**2,936**
consisting of:				
Net fee and commission income	1,809	1,494	3,706	2,909
Net interest income	4	6	8	12
Income from financial assets and liabilities carried at fair value through income (net)	–	(7)	7	7
Other income	2	4	5	8
Corporate and Other				
Total revenues (Banking)	**132**	**141**	**280**	**296**
consisting of:				
Interest and similar income	154	183	311	373
Income from financial assets and liabilities carried at fair value through income (net)	3	(1)	5	7
Fee and commission income	125	107	245	219
Interest expenses, excluding interest expenses from external debt	(72)	(87)	(145)	(178)
Fee and commission expenses	(74)	(62)	(134)	(125)
Consolidation effects (Banking within Corporate and Other)	(4)	1	(2)	–
Consolidation	**(50)**	**(29)**	**(95)**	**(66)**
Allianz Group total revenues	**26,776**	**25,196**	**58,824**	**55,249**

Composition of total revenue growth

We believe that an understanding of our total revenue performance is enhanced when the effects of foreign currency translation as well as acquisitions and disposals (or "changes in scope of consolidation") are analyzed separately. Accordingly, in addition to presenting nominal total revenue growth, we also present internal total revenue growth, which excludes these effects.

RECONCILIATION OF NOMINAL TOTAL REVENUE GROWTH TO INTERNAL TOTAL REVENUE GROWTH — A 47

%	three months ended 30 June 2013				six months ended 30 June 2013			
	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
Property-Casualty	–	1.7	(1.4)	0.3	0.7	2.0	(1.0)	1.7
Life/Health	10.3	–	(0.5)	9.8	9.4	–	(0.4)	9.0
Asset Management	23.1	–	(1.9)	21.2	28.4	(0.1)	(1.4)	26.9
Corporate and Other	(6.4)	–	–	(6.4)	(5.4)	–	–	(5.4)
Allianz Group	**6.5**	**0.7**	**(0.9)**	**6.3**	**6.3**	**0.9**	**(0.7)**	**6.5**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B

Condensed Consolidated Interim Financial Statements

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED BALANCE SHEETS B 01

€ MN

	Note	as of 30 June 2013	as of 31 December 2012
ASSETS			
Cash and cash equivalents		12,969	12,437
Financial assets carried at fair value through income	5	6,010	7,283
Investments	6	399,199	401,628
Loans and advances to banks and customers	7	118,545	119,369
Financial assets for unit-linked contracts		75,368	71,197
Reinsurance assets	8	13,714	13,254
Deferred acquisition costs	9	21,912	19,452
Deferred tax assets		2,176	1,526
Other assets	10	35,150	35,196
Non-current assets classified as held for sale	11	117	15
Intangible assets	12	13,060	13,090
Total assets		**698,220**	**694,447**
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	13	5,836	5,397
Liabilities to banks and customers	14	22,334	22,425
Unearned premiums		21,005	17,939
Reserves for loss and loss adjustment expenses	15	68,106	72,540
Reserves for insurance and investment contracts	16	397,032	390,985
Financial liabilities for unit-linked contracts		75,368	71,197
Deferred tax liabilities		3,448	4,035
Other liabilities	17	36,272	37,392
Certificated liabilities	18	8,287	7,960
Participation certificates and subordinated liabilities	19	10,108	11,614
Total liabilities		**647,796**	**641,484**
Shareholders' equity		47,866	50,388
Non-controlling interests		2,558	2,575
Total equity	**20**	**50,424**	**52,963**
Total liabilities and equity		**698,220**	**694,447**

CONSOLIDATED INCOME STATEMENTS

CONSOLIDATED INCOME STATEMENTS B 02

€ MN

	Note	three months ended 30 June 2013	three months ended 30 June 2012	six months ended 30 June 2013	six months ended 30 June 2012
Gross premiums written		16,848	16,467	38,653	37,826
Ceded premiums written		(1,252)	(1,317)	(2,697)	(2,914)
Change in unearned premiums		695	650	(2,993)	(2,670)
Premiums earned (net)	**21**	**16,291**	**15,800**	**32,963**	**32,242**
Interest and similar income	22	5,412	5,488	10,579	10,620
Income from financial assets and liabilities carried at fair value through income (net)	23	(700)	(184)	(925)	(90)
Realized gains/losses (net)	24	1,191	1,115	2,337	2,303
Fee and commission income	25	2,679	2,285	5,433	4,430
Other income	26	42	58	102	109
Income from fully consolidated private equity investments	27	184	198	362	393
Total income		**25,099**	**24,760**	**50,851**	**50,007**
Claims and insurance benefits incurred (gross)		(12,877)	(12,282)	(25,059)	(24,891)
Claims and insurance benefits incurred (ceded)		905	593	1,449	1,211
Claims and insurance benefits incurred (net)	**28**	**(11,972)**	**(11,689)**	**(23,610)**	**(23,680)**
Change in reserves for insurance and investment contracts (net)	29	(3,071)	(3,551)	(7,170)	(7,358)
Interest expenses	30	(335)	(368)	(686)	(750)
Loan loss provisions	31	(15)	(42)	(29)	(88)
Impairments of investments (net)	32	(182)	(422)	(316)	(610)
Investment expenses	33	(217)	(216)	(425)	(413)
Acquisition and administrative expenses (net)	34	(5,802)	(5,247)	(11,291)	(10,701)
Fee and commission expenses	35	(788)	(686)	(1,566)	(1,370)
Amortization of intangible assets		(16)	(31)	(57)	(56)
Restructuring charges		(6)	(139)	(100)	(147)
Other expenses	36	(8)	(25)	(54)	(44)
Expenses from fully consolidated private equity investments	27	(188)	(245)	(370)	(446)
Total expenses		**(22,600)**	**(22,661)**	**(45,674)**	**(45,663)**
Income before income taxes		**2,499**	**2,099**	**5,177**	**4,344**
Income taxes	37	(824)	(761)	(1,701)	(1,555)
Net income		**1,675**	**1,338**	**3,476**	**2,789**
Net income attributable to:					
Non-controlling interests		87	86	181	160
Shareholders		1,588	1,252	3,295	2,629
Basic earnings per share (€)	39	3.50	2.77	7.27	5.81
Diluted earnings per share (€)	39	3.47	2.72	7.18	5.78

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME B 03

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Net income	**1,675**	**1,338**	**3,476**	**2,789**
Other comprehensive income				
Items that may be reclassified to profit and loss in future periods				
Foreign currency translation adjustments				
Reclassifications to net income	–	–	–	–
Changes arising during the period	(525)	653	(236)	440
Subtotal	**(525)**	**653**	**(236)**	**440**
Available-for-sale investments				
Reclassifications to net income	(380)	(102)	(557)	(142)
Changes arising during the period	(2,701)	81	(2,977)	2,269
Subtotal	**(3,081)**	**(21)**	**(3,534)**	**2,127**
Cash flow hedges				
Reclassifications to net income	–	(1)	(1)	(1)
Changes arising during the period	(69)	17	(62)	28
Subtotal	**(69)**	**16**	**(63)**	**27**
Share of other comprehensive income of associates				
Reclassifications to net income	–	–	–	–
Changes arising during the period	(36)	(1)	(15)	5
Subtotal	**(36)**	**(1)**	**(15)**	**5**
Miscellaneous				
Reclassifications to net income	–	–	–	–
Changes arising during the period	4	20	88	91
Subtotal	**4**	**20**	**88**	**91**
Items that may never be reclassified to profit and loss				
Actuarial gains and losses on defined benefit plans (see note 2)	17	17	(24)	(235)
Total other comprehensive income	**(3,690)**	**684**	**(3,784)**	**2,455**
Total comprehensive income	**(2,015)**	**2,022**	**(308)**	**5,244**
Total comprehensive income attributable to:				
Non-controlling interests	32	131	168	278
Shareholders	(2,047)	1,891	(476)	4,966

For further details concerning income taxes relating to components of the other comprehensive income, please see note 37 – Income taxes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY B 04

€ MN	Paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Shareholders' equity	Non-controlling interests	Total equity
Balance as of 1 January 2012, as previously reported	**28,763**	**13,522**	**(1,996)**	**4,626**	**44,915**	**2,338**	**47,253**
Adjustments (see note 2)	–	(1,457)	(1)	–	(1,458)	(48)	(1,506)
Balance as of 1 January 2012, as reported	**28,763**	**12,065**	**(1,997)**	**4,626**	**43,457**	**2,290**	**45,747**
Total comprehensive income[1]	–	2,442	428	2,096	4,966	278	5,244
Paid-in capital	–	–	–	–	–	–	–
Treasury shares	–	12	–	–	12	–	12
Transactions between equity holders	–	(64)	14	2	(48)	(93)	(141)
Dividends paid	–	(2,037)	–	–	(2,037)	(138)	(2,175)
Balance as of 30 June 2012	**28,763**	**12,418**	**(1,555)**	**6,724**	**46,350**	**2,337**	**48,687**
Balance as of 1 January 2013, as previously reported	**28,815**	**16,689**	**(2,073)**	**10,122**	**53,553**	**2,665**	**56,218**
Adjustments (see note 2)	–	(3,165)	–	–	(3,165)	(90)	(3,255)
Balance as of 1 January 2013, as reported	**28,815**	**13,524**	**(2,073)**	**10,122**	**50,388**	**2,575**	**52,963**
Total comprehensive income[1]	–	3,319	(231)	(3,564)	(476)	168	(308)
Paid-in capital	–	–	–	–	–	–	–
Treasury shares	–	3	–	–	3	–	3
Transactions between equity holders	–	(11)	–	1	(10)	21	11
Dividends paid	–	(2,039)	–	–	(2,039)	(206)	(2,245)
Balance as of 30 June 2013	**28,815**	**14,796**	**(2,304)**	**6,559**	**47,866**	**2,558**	**50,424**

1 — Total comprehensive income in shareholders' equity for the six months ended 30 June 2013 comprises net income attributable to shareholders of €3,295 MN (2012: €2,629 MN).

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS B 05

€ MN six months ended 30 June	2013	2012
SUMMARY		
Net cash flow provided by operating activities	13,121	12,320
Net cash flow used in investing activities	(8,438)	(9,541)
Net cash flow used in financing activities	(4,137)	(2,772)
Effect of exchange rate changes on cash and cash equivalents	(14)	124
Change in cash and cash equivalents	**532**	**131**
Cash and cash equivalents at beginning of period	12,437	10,492
Cash and cash equivalents at end of period	**12,969**	**10,623**
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**3,476**	**2,789**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(45)	(45)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers	(2,021)	(1,693)
Other investments, mainly financial assets held for trading and designated at fair value through income	1,260	319
Depreciation and amortization	528	514
Loan loss provisions	29	88
Interest credited to policyholder accounts	2,267	1,933
Net change in:		
Financial assets and liabilities held for trading	9	(1,009)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	16	262
Repurchase agreements and collateral received from securities lending transactions	640	656
Reinsurance assets	(910)	(559)
Deferred acquisition costs	(618)	(379)
Unearned premiums	3,441	3,312
Reserves for loss and loss adjustment expenses	(280)	872
Reserves for insurance and investment contracts	5,372	6,109
Deferred tax assets/liabilities	257	37
Other (net)	(300)	(886)
Subtotal	**9,645**	**9,531**
Net cash flow provided by operating activities	**13,121**	**12,320**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS B 05

€ MN six months ended 30 June	2013	2012
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	912	1,085
Available-for-sale investments	59,853	61,251
Held-to-maturity investments	385	373
Investments in associates and joint ventures	165	149
Non-current assets classified as held for sale	24	112
Real estate held for investment	170	113
Loans and advances to banks and customers (purchased loans)	3,768	6,298
Property and equipment	87	149
Subtotal	**65,364**	**69,530**
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(510)	(553)
Available-for-sale investments	(68,781)	(72,084)
Held-to-maturity investments	(162)	(720)
Investments in associates and joint ventures	(358)	(178)
Non-current assets classified as held for sale	–	(223)
Real estate held for investment	(362)	(265)
Loans and advances to banks and customers (purchased loans)	(3,358)	(3,517)
Property and equipment	(574)	(737)
Subtotal	**(74,105)**	**(78,277)**
Business combinations:		
Proceeds from sale of subsidiaries, net of cash disposed	–	–
Acquisitions of subsidiaries, net of cash acquired	–	–
Change in other loans and advances to banks and customers (originated loans)	**269**	**(701)**
Other (net)	**34**	**(93)**
Net cash flow used in investing activities	**(8,438)**	**(9,541)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in liabilities to banks and customers	(716)	(177)
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	3,607	4,401
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(4,806)	(4,567)
Cash inflow from capital increases	–	–
Transactions between equity holders	11	(141)
Dividends paid to shareholders	(2,245)	(2,175)
Net cash from sale or purchase of treasury shares	6	11
Other (net)	6	(124)
Net cash flow used in financing activities	**(4,137)**	**(2,772)**
SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS		
Income taxes paid	(1,895)	(1,044)
Dividends received	822	672
Interest received	10,120	10,402
Interest paid	(728)	(827)

Notes to the Condensed Consolidated Interim Financial Statements

GENERAL INFORMATION

1 — Basis of presentation

The condensed consolidated interim financial statements of the Allianz Group – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – are presented in accordance with the requirements of IAS 34, Interim Financial Reporting, and have been prepared in conformity with International Financial Reporting Standards (IFRS), as adopted under European Union (E.U.) regulations in accordance with § 315a of the German Commercial Code (HGB). IFRS comprise the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations developed by the IFRS Interpretations Committee (formerly called the IFRIC) or the former Standing Interpretations Committee (SIC).

Within these condensed consolidated interim financial statements, the Allianz Group has applied all IFRS issued by the IASB that are endorsed by the E.U. and are compulsory as of 1 January 2013. See note 2 for further details.

For existing and unchanged IFRS, the accounting policies for recognition, measurement, consolidation and presentation applied in the preparation of the condensed consolidated interim financial statements are generally consistent with the accounting policies that have been applied in the preparation of the consolidated financial statements for the year ended 31 December 2012. See note 2 for further details. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2012.

IFRS do not provide specific guidance concerning all aspects of the recognition and measurement of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. Therefore, as envisioned in IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to those aspects where specific guidance is not provided by IFRS 4, Insurance Contracts, the provisions embodied under accounting principles generally accepted in the United States of America (US GAAP) as at first-time adoption of IFRS 4 on 1 January 2005, have been applied.

The condensed consolidated interim financial statements are presented in millions of Euros (€), unless otherwise stated.

These condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on 1 August 2013.

2 — Recently adopted accounting pronouncements and changes in the presentation of the condensed consolidated interim financial statements

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS effective 1 January 2013

Amendments to IAS 19 – Employee Benefits

The amendments eliminate the corridor approach and require all actuarial gains and losses to be recognized immediately in other comprehensive income (OCI). While all remeasurements need to be recognized in OCI, service and interest costs have to be recognized in the profit and loss account. The long-term return on plan assets has to be calculated using the same interest rate used to discount the defined benefit obligation (DBO).

The amendments to IAS 19 are applied retrospectively.

The following table presents the impacts of the adoption of the amendments to IAS 19 on the consolidated balance sheet.

CHANGE OF CONSOLIDATED BALANCE SHEET RELATING TO AMENDMENTS TO IAS 19 – EMPLOYEE BENEFITS B 06

€ MN

as of 31 December 2012	As previously reported	Amendments to IAS 19	As reported
Deferred tax assets	1,270	256	1,526
Other assets	35,626	(430)	35,196
Total assets	**694,621**	**(174)**	**694,447**
Reserves for insurance and investment contracts	390,987	(2)	390,985
Deferred tax liabilities	5,169	(1,134)	4,035
Other liabilities	33,175	4,217	37,392
Total liabilities	**638,403**	**3,081**	**641,484**
Shareholders' equity	53,553	(3,165)	50,388
Non-controlling interests	2,665	(90)	2,575
Total equity	**56,218**	**(3,255)**	**52,963**
Total liabilities and equity	**694,621**	**(174)**	**694,447**

The impact of the adoption of the amendments to IAS 19 on the consolidated income statement for the three and the six months ended 30 June 2012 led to a €25 MN and €35 MN decrease of acquisition and administrative expenses (net) and a €7 MN and €11 MN increase in income taxes. This resulted in a 4 cent and a 5 cent increase in earnings per share for the three and the six months ended 30 June 2012. For the year ended 31 December 2012, the adoption led to an increase in income before income taxes of €88 MN and an increase in income taxes of €21 MN. This resulted in an increase of the earnings per share of 14 cents.

The impact on the total other comprehensive income was €22 MN and €(233) MN for the three and the six months ended 30 June 2012 and €(1,816) MN for the year ended 31 December 2012.

The impact on the condensed consolidated statements of cashflows is immaterial.

Further adopted accounting pronouncements

In addition to the amendments to IAS 19 Employee Benefits, the following new standard, amendments and revisions to existing standards became effective for the Allianz Group's consolidated financial statements as of 1 January 2013:

- IAS 1, Presentation of Financial Statements – Amendment to Presentation of Items of Other Comprehensive Income
- IFRS 7, Financial Instruments: Disclosures – Amendments to Offsetting Financial Assets and Financial Liabilities
- IFRS 13, Fair Value Measurement
- Annual Improvements to IFRSs 2009-2011

The Allianz Group adopted the new standard, the revisions, amendments and interpretations as of 1 January 2013, with no material impact on its financial results or financial position.

CHANGES IN THE PRESENTATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Change in presentation of discounted loss reserves in the business segment Property-Casualty

Effective 1 January 2013, the Allianz Group prospectively changed its presentation of discounted loss reserves in the consolidated balance sheet from the line item "Reserves for loss and loss adjustment expenses" to the line item "Reserves for insurance and investment contracts". In the consolidated income statement, the unwinding of the discounted loss reserves is now presented in "Change in reserves for insurance and investment contracts (net)".

The Allianz Group believes this change in presentation results in information that is more relevant to the economic decision-making needs of users of financial statements as it better reflects the nature of the reserves in the financial statements. In addition, the key performance indicator "combined ratio" reflects the net underwriting result.

The following tables present the impacts of the change in presentation of discounted loss reserves.

CHANGE OF CONSOLIDATED BALANCE SHEET RELATING TO CHANGE IN PRESENTATION OF DISCOUNTED LOSS RESERVES B 07

€ MN

as of 30 June 2013	Before change in presen-tation	Change in presen-tation	As reported
Reserves for loss and loss adjustment expenses	71,313	(3,207)	68,106
Reserves for insurance and investment contracts	393,825	3,207	397,032
Total liabilities	**647,796**	**–**	**647,796**

CHANGE OF CONSOLIDATED INCOME STATEMENTS RELATING TO CHANGE IN PRESENTATION OF DISCOUNTED LOSS RESERVES B 08

€ MN

	three months ended 30 June 2013			six months ended 30 June 2013		
	Before change in presentation	Change in presentation	As reported	Before change in presentation	Change in presentation	As reported
Claims and insurance benefits incurred (net)	(11,998)	26	(11,972)	(23,657)	47	(23,610)
Change in reserves for insurance and investment contracts (net)	(3,045)	(26)	(3,071)	(7,123)	(47)	(7,170)
Net income	**1,675**	**–**	**1,675**	**3,476**	**–**	**3,476**
Loss ratio in %	67.5	(0.2)	67.3	67.0	(0.3)	66.7
Combined ratio in %	96.2	(0.2)	96.0	95.4	(0.3)	95.1

Change in presentation of condensed consolidated statements of cash flows

The Allianz Group has changed the presentation of policyholders' account deposits and withdrawals in its condensed consolidated statements of cash flows from cash flow from financing activities to cash flow from operating activities. The change in presentation has been applied retrospectively.

The Allianz Group believes this change in presentation results in information that is more relevant to the economic decision-making needs of users of financial statements as those cash flows relate to the insurance activities of Allianz Group. The change in presentation results in a consistent presentation of all cash flows from insurance activities as cash flows from operating activities.

The following table presents the impact of the change in presentation of policyholders' account deposits and withdrawals on the consolidated statements of cash flows.

CHANGE OF CONSOLIDATED STATEMENT OF CASH FLOWS RELATING TO CHANGE IN PRESENTATION OF POLICYHOLDERS' ACCOUNT DEPOSITS AND WITHDRAWALS B 09

€ MN

six months ended 30 June 2012	As previously reported	Change in presen-tation	As reported
Net cash flow provided by operating activities	11,288	1,032	12,320
Net cash flow used in financing activities	(1,740)	(1,032)	(2,772)
Cash and cash equivalents at end of period	**10,623**	**–**	**10,623**

OTHER RECLASSIFICATIONS

Certain prior-period amounts have been reclassified to conform to the current period presentation.

3 — Consolidation

SIGNIFICANT ACQUISITIONS

Yapı Kredi Sigorta A.Ş. and Yapı Kredi Emeklilik A.Ş.

On 12 July 2013, the Allianz Group acquired Yapı Kredi Bank's 93.94% shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta, including its life and pension insurance subsidiary Yapı Kredi Emeklilik. The transaction includes a 15 year exclusive distribution agreement with Yapı Kredi Bank. Yapı Kredi Bank retains a 20% stake in Yapı Kredi Emeklilik to support the long-term strategic partnership with Allianz. This transaction is consistent with the Allianz strategy to access growth through strategic relationships in high-growth insurance markets. The transaction was approved by the Turkish Competition Authority on 26 June 2013 and by the Republic of Turkey Prime Ministry Undersecretariat of Treasury on 5 July 2013.

The total gross consideration paid in cash to Yapı Kredi Bank amounted to €714 MN (TYL 1,791 MN), while net of proceeds received from the sale of the Yapı Kredi Emeklilik stake to Yapı Kredi Bank, the consideration to Yapi Kredi Bank amounted to €639 MN (TYL 1,603 MN).

At the time the condensed consolidated interim financial statements were authorized for issue, the reconciliation from local GAAP to IFRS, including the change in accounting for insurance and investment contracts, was not complete and as a result the purchase accounting for the business combination was not fully completed. Therefore, information about the total assets acquired and liabilities assumed as well as total revenues, net income and the impact on the respective consolidated figures for the Allianz Group were not available.

Effective 1 July 2013, the entities will be included in the condensed consolidated interim financial statements for the third quarter and first nine months of 2013.

As a result of the purchase of shares representing 93.94% of the share capital of Yapı Kredi Sigorta on 12 July 2013, the Allianz Group duly filed on 22 July 2013 an application to the Turkish Capital Market Board to pursue a mandatory tender offer with respect to the remaining shares of Yapı Kredi Sigorta.

HSBC Taiwan Life branch

On 21 June 2013, the Allianz Group acquired the assets and assumed the liabilities of the Taiwan branch of HSBC Life (International) Limited as part of the regional cooperation with HSBC and integrated it into Allianz Taiwan. The total consideration paid in cash amounted to €14 MN.

The following table summarizes the consideration transferred and amounts recognized for major classes of identifiable assets acquired and liabilities assumed:

HSBC TAIWAN LIFE BRANCH – CONSIDERATION TRANSFERRED AND IDENTIFIABLE ASSETS AND LIABILITIES — B 10

€ MN	Fair value
Consideration transferred	
Cash consideration transferred	14
Purchase price adjustment	(14)
Total consideration transferred	–
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	6
Investments	69
Loans and advances to banks and customers	3
Financial assets for unit-linked contracts	35
Deferred acquisition costs	15
Reserves for insurance and investment contracts	(90)
Financial liabilities for unit-linked contracts	(35)
Deferred tax liabilities	(2)
Other liabilities	(1)
Total net identifiable assets	–

The impact of the acquisition of the HSBC Taiwan Life branch on the total revenues and net income of the Allianz Group, since the acquisition date as well as if the acquisition date had been 1 January 2013, was not material.

4 — Segment reporting

IDENTIFICATION OF REPORTABLE SEGMENTS

The business activities of the Allianz Group are first organized by product and type of service: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into the Property-Casualty and Life/Health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into the following reportable segments:

- German Speaking Countries
- Western & Southern Europe
- Iberia & Latin America
- USA
- Global Insurance Lines & Anglo Markets
- Growth Markets
- Allianz Worldwide Partners (Property-Casualty only).

Asset management activities represent a separate reportable segment. Due to differences in the nature of products, risks and capital allocation, corporate and other activities are divided into three reportable segments: Holding & Treasury, Banking and Alternative Investments. In total, the Allianz Group has identified 17 reportable segments in accordance with IFRS 8, Operating Segments.

The types of products and services from which reportable segments derive revenue are described below.

Property-Casualty

In the Property-Casualty category, reportable segments offer a wide variety of insurance products to both private and corporate customers, including motor liability and own damage, accident, general liability, fire and property, legal expense, credit and travel insurance.

Life/Health

In the Life/Health category, reportable segments offer a comprehensive range of life and health insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and investment-oriented products as well as full private health and supplemental health and long-term care insurance.

Asset Management

The reportable segment Asset Management operates as a global provider of institutional and retail asset management products and services to third-party investors and provides investment management services to the Allianz Group's insurance operations. The products for retail and institutional customers include equity and fixed income funds as well as alternative products. The United States and Germany as well as France, Italy and the Asia-Pacific region represent the primary asset management markets.

Corporate and Other

The reportable segment Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources and technology functions. The reportable segment Banking consists of the banking activities in Germany, France, Italy, the Netherlands and Bulgaria. The banks offer a wide range of products for corporate and retail clients, with a primary focus on the latter. The reportable segment Alternative Investments provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors, mainly on behalf of the Allianz Group's insurance operations. The reportable segment Alternative Investments also includes a fully consolidated private equity investment. The income and expenses of this investment are included in the non-operating result.

Prices for transactions between reportable segments are set on an arm's length basis in a manner similar to transactions with third parties. Transactions between reportable segments are eliminated in Consolidation. For the reportable segment Asset Management, interest revenues are reported net of interest expenses.

REPORTABLE SEGMENTS MEASURE OF PROFIT OR LOSS

The Allianz Group uses operating profit to evaluate the performance of its reportable segments and the Allianz Group as a whole. Operating profit highlights the portion of income before income taxes attributable to the ongoing core operations of the Allianz Group. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- acquisition-related expenses and the amortization of intangible assets, as these relate to business combinations;

- interest expenses from external debt, as these relate to the capital structure of the Allianz Group;

- income from fully consolidated private equity investments (net), as this represents income from industrial holdings, which is outside the Allianz Group's normal scope of operating business;

- income from financial assets and liabilities carried at fair value through income (net), as this does not reflect the Allianz Group's long-term performance;

- realized capital gains and losses (net) or impairments of investments (net), as the timing of sales that would result in such realized gains or losses is largely at the discretion of the Allianz Group and impairments are largely dependent on market cycles or issuer-specific events over which the Allianz Group has little or no control and which can and do vary, sometimes materially, through time.

Against this general rule, the following exceptions apply:

- in all reportable segments, income from financial assets and liabilities carried at fair value through income (net) is treated as operating profit if the income relates to operating business;

- for Life/Health insurance business and Property-Casualty insurance products with premium refunds, all items listed above are included in operating profit if the profit sources are shared with policyholders. This is also applicable to tax benefits, which are shared with policyholders. IFRS requires that the consolidated income statements present all tax benefits in the income taxes line item, even though these belong to policyholders. In the segment reporting, the tax benefits are reclassified and shown within operating profit in order to adequately reflect the policyholder participation in tax benefits.

Operating profit should be viewed as complementary to, and not as a substitute for, income before income taxes or net income as determined in accordance with IFRS.

Effective 1 January 2013, all restructuring charges are presented within operating profit. This change does not impact recognition and measurement of the restructuring charges, shareholders' equity and net income.

BUSINESS SEGMENT INFORMATION – CONSOLIDATED BALANCE SHEETS

BUSINESS SEGMENT INFORMATION - CONSOLIDATED BALANCE SHEETS

€ MN

	Property-Casualty		Life/Health	
	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012
ASSETS				
Cash and cash equivalents	3,648	2,707	6,662	5,574
Financial assets carried at fair value through income	570	624	5,160	6,150
Investments	90,104	90,168	300,132	301,111
Loans and advances to banks and customers	16,427	18,331	92,079	94,080
Financial assets for unit-linked contracts	–	–	75,368	71,197
Reinsurance assets	8,885	8,432	4,857	4,858
Deferred acquisition costs	4,584	4,323	17,191	14,990
Deferred tax assets	1,174	1,096	259	245
Other assets	21,547	21,633	16,009	16,753
Non-current assets classified as held for sale	–	–	117	12
Intangible assets	2,284	2,336	2,555	2,207
Total assets	**149,223**	**149,650**	**520,389**	**517,177**

€ MN

	Property-Casualty		Life/Health	
	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	90	100	5,533	5,255
Liabilities to banks and customers	1,416	1,146	2,208	1,972
Unearned premiums	18,222	15,328	2,793	2,618
Reserves for loss and loss adjustment expenses	58,390	62,711	9,723	9,854
Reserves for insurance and investment contracts	13,359	10,174	383,861	380,993
Financial liabilities for unit-linked contracts	–	–	75,368	71,197
Deferred tax liabilities	2,134	2,562	2,520	3,276
Other liabilities	16,557	16,887	13,018	14,107
Certificated liabilities	38	25	14	–
Participation certificates and subordinated liabilities	–	–	95	95
Total liabilities	**110,206**	**108,933**	**495,133**	**489,367**

B 11

Asset Management		Corporate and Other		Consolidation		Group	
as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012
1,799	1,514	3,100	4,209	(2,240)	(1,567)	12,969	12,437
556	699	128	170	(404)	(360)	6,010	7,283
1,106	1,116	98,560	100,082	(90,703)	(90,849)	399,199	401,628
378	395	17,948	16,896	(8,287)	(10,333)	118,545	119,369
–	–	–	–	–	–	75,368	71,197
–	–	–	–	(28)	(36)	13,714	13,254
137	139	–	–	–	–	21,912	19,452
194	257	2,038	2,217	(1,489)	(2,289)	2,176	1,526
2,558	2,316	5,747	5,570	(10,711)	(11,076)	35,150	35,196
–	–	–	3	–	–	117	15
7,437	7,407	784	1,140	–	–	13,060	13,090
14,165	**13,843**	**128,305**	**130,287**	**(113,862)**	**(116,510)**	**698,220**	**694,447**

Asset Management		Corporate and Other		Consolidation		Group	
as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012	as of 30 June 2013	as of 31 December 2012
1	–	615	403	(403)	(361)	5,836	5,397
1,270	1,398	21,949	22,791	(4,509)	(4,882)	22,334	22,425
–	–	–	–	(10)	(7)	21,005	17,939
–	–	–	–	(7)	(25)	68,106	72,540
–	–	–	–	(188)	(182)	397,032	390,985
–	–	–	–	–	–	75,368	71,197
122	174	161	312	(1,489)	(2,289)	3,448	4,035
2,782	2,780	21,261	21,753	(17,346)	(18,135)	36,272	37,392
–	–	13,977	14,675	(5,742)	(6,740)	8,287	7,960
14	14	10,063	11,569	(64)	(64)	10,108	11,614
4,189	**4,366**	**68,026**	**71,503**	**(29,758)**	**(32,685)**	**647,796**	**641,484**
				Total equity		**50,424**	**52,963**
				Total liabilities and equity		**698,220**	**694,447**

BUSINESS SEGMENT INFORMATION – TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET INCOME (LOSS)

BUSINESS SEGMENT INFORMATION – TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET INCOME (LOSS)

€ MN

	Property-Casualty		Life/Health	
three months ended 30 June	2013	2012	2013	2012
Total revenues[1]	**10,754**	**10,726**	**14,125**	**12,861**
Premiums earned (net)	10,379	10,266	5,912	5,534
Operating investment result				
Interest and similar income	932	976	4,368	4,423
Operating income from financial assets and liabilities carried at fair value through income (net)	(35)	(7)	(686)	(205)
Operating realized gains/losses (net)	15	9	718	733
Interest expenses, excluding interest expenses from external debt	(7)	(11)	(21)	(21)
Operating impairments of investments (net)	(7)	(11)	(132)	(204)
Investment expenses	(77)	(70)	(193)	(191)
Subtotal	**821**	**886**	**4,054**	**4,535**
Fee and commission income	307	291	168	131
Other income	11	10	31	37
Claims and insurance benefits incurred (net)	(6,984)	(7,119)	(4,990)	(4,570)
Change in reserves for insurance and investment contracts (net)[2]	(99)	(76)	(2,928)	(3,517)
Loan loss provisions	–	–	–	–
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,976)	(2,862)	(1,478)	(1,253)
Fee and commission expenses	(273)	(264)	(74)	(55)
Restructuring charges	(1)	(76)	(1)	(2)
Other expenses	(6)	(6)	(25)	(22)
Reclassification of tax benefits	–	–	–	–
Operating profit (loss)	**1,179**	**1,050**	**669**	**818**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	23	(82)	(5)	4
Non-operating realized gains/losses (net)	229	354	24	(10)
Non-operating impairments of investments (net)	(35)	(120)	(6)	(22)
Subtotal	**217**	**152**	**13**	**(28)**
Income from fully consolidated private equity investments (net)	–	–	–	–
Interest expenses from external debt	–	–	–	–
Acquisition-related expenses	–	–	–	–
Amortization of intangible assets	(5)	(11)	(2)	(1)
Reclassification of tax benefits	–	–	–	–
Non-operating items	**212**	**141**	**11**	**(29)**
Income (loss) before income taxes	**1,391**	**1,191**	**680**	**789**
Income taxes	(390)	(374)	(206)	(282)
Net income (loss)	**1,001**	**817**	**474**	**507**
Net income (loss) attributable to:				
Non-controlling interests	45	49	20	21
Shareholders	956	768	454	486

1 – Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 – For the three months ended 30 June 2013, includes expenses for premium refunds (net) in Property-Casualty of €(37) MN (2012: €(25) MN).

B 12

Asset Management		Corporate and Other		Consolidation		Group	
2013	2012	2013	2012	2013	2012	2013	2012
1,815	**1,497**	**132**	**141**	**(50)**	**(29)**	**26,776**	**25,196**
–	–	–	–	–	–	16,291	15,800
10	12	207	259	(105)	(182)	5,412	5,488
–	(7)	10	10	4	(3)	(707)	(212)
–	–	–	–	–	3	733	745
(6)	(6)	(158)	(189)	90	110	(102)	(117)
–	–	–	–	21	–	(118)	(215)
–	–	(20)	(25)	73	70	(217)	(216)
4	**(1)**	**39**	**55**	**83**	**(2)**	**5,001**	**5,473**
2,179	1,825	175	161	(150)	(123)	2,679	2,285
2	4	(1)	1	(1)	6	42	58
–	–	–	–	2	–	(11,972)	(11,689)
–	–	–	–	(44)	42	(3,071)	(3,551)
–	–	(15)	(42)	–	–	(15)	(42)
(1,009)	(861)	(338)	(272)	15	11	(5,786)	(5,237)
(370)	(331)	(131)	(82)	60	46	(788)	(686)
(2)	(61)	(2)	–	–	–	(6)	(139)
–	–	(1)	(1)	24	4	(8)	(25)
–	–	–	–	–	3	–	3
804	**575**	**(274)**	**(180)**	**(11)**	**(13)**	**2,367**	**2,250**
–	–	(9)	109	(2)	(3)	7	28
–	–	206	26	(1)	–	458	370
–	(1)	(23)	(64)	–	–	(64)	(207)
–	**(1)**	**174**	**71**	**(3)**	**(3)**	**401**	**191**
–	–	(7)	(1)	3	(46)	(4)	(47)
–	–	(233)	(251)	–	–	(233)	(251)
(16)	(8)	–	(2)	–	–	(16)	(10)
(7)	(12)	(3)	(7)	1	–	(16)	(31)
–	–	–	–	–	(3)	–	(3)
(23)	**(21)**	**(69)**	**(190)**	**1**	**(52)**	**132**	**(151)**
781	**554**	**(343)**	**(370)**	**(10)**	**(65)**	**2,499**	**2,099**
(293)	(209)	66	104	(1)	–	(824)	(761)
488	**345**	**(277)**	**(266)**	**(11)**	**(65)**	**1,675**	**1,338**
22	10	–	6	–	–	87	86
466	335	(277)	(272)	(11)	(65)	1,588	1,252

BUSINESS SEGMENT INFORMATION – TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET INCOME (LOSS) (CONTINUED)

BUSINESS SEGMENT INFORMATION – TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET INCOME (LOSS) (CONTINUED)

€ MN

	Property-Casualty		Life/Health	
six months ended 30 June	2013	2012	2013	2012
Total revenues[1]	**25,951**	**25,523**	**28,962**	**26,560**
Premiums earned (net)	20,691	20,347	12,272	11,895
Operating investment result				
Interest and similar income	1,819	1,915	8,445	8,485
Operating income from financial assets and liabilities carried at fair value through income (net)	(27)	(5)	(930)	(367)
Operating realized gains/losses (net)	30	14	1,617	1,800
Interest expenses, excluding interest expenses from external debt	(22)	(22)	(40)	(41)
Operating impairments of investments (net)	(8)	(14)	(194)	(266)
Investment expenses	(145)	(137)	(383)	(353)
Subtotal	**1,647**	**1,751**	**8,515**	**9,258**
Fee and commission income	597	581	308	258
Other income	19	17	80	79
Claims and insurance benefits incurred (net)	(13,797)	(14,001)	(9,816)	(9,679)
Change in reserves for insurance and investment contracts (net)[2]	(212)	(156)	(6,929)	(7,231)
Loan loss provisions	–	–	–	–
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(5,885)	(5,674)	(2,726)	(2,774)
Fee and commission expenses	(548)	(540)	(130)	(118)
Restructuring charges	(3)	(82)	(2)	(4)
Other expenses	(11)	(10)	(48)	(41)
Reclassification of tax benefits	–	–	–	–
Operating profit (loss)	**2,498**	**2,233**	**1,524**	**1,643**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	14	(62)	8	17
Non-operating realized gains/losses (net)	385	366	58	13
Non-operating impairments of investments (net)	(51)	(166)	(10)	(27)
Subtotal	**348**	**138**	**56**	**3**
Income from fully consolidated private equity investments (net)	–	–	–	–
Interest expenses from external debt	–	–	–	–
Acquisition-related expenses	–	–	–	–
Amortization of intangible assets	(8)	(16)	(5)	(2)
Reclassification of tax benefits	–	–	–	–
Non-operating items	**340**	**122**	**51**	**1**
Income (loss) before income taxes	**2,838**	**2,355**	**1,575**	**1,644**
Income taxes	(820)	(702)	(473)	(512)
Net income (loss)	**2,018**	**1,653**	**1,102**	**1,132**
Net income (loss) attributable to:				
Non-controlling interests	88	89	43	43
Shareholders	1,930	1,564	1,059	1,089

1 — Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 — For the six months ended 30 June 2013, includes expenses for premium refunds (net) in Property-Casualty of €(100) MN (2012: €(51) MN).

B 13

Asset Management		Corporate and Other		Consolidation		Group	
2013	2012	2013	2012	2013	2012	2013	2012
3,726	**2,936**	**280**	**296**	**(95)**	**(66)**	**58,824**	**55,249**
–	–	–	–	–	–	32,963	32,242
21	24	489	509	(195)	(313)	10,579	10,620
7	7	19	20	3	(1)	(928)	(346)
–	–	–	–	(35)	3	1,612	1,817
(13)	(12)	(321)	(391)	184	226	(212)	(240)
–	–	–	–	21	–	(181)	(280)
–	–	(39)	(48)	142	125	(425)	(413)
15	**19**	**148**	**90**	**120**	**40**	**10,445**	**11,158**
4,465	3,517	343	323	(280)	(249)	5,433	4,430
5	8	1	1	(3)	4	102	109
–	–	–	–	3	–	(23,610)	(23,680)
–	–	–	–	(29)	29	(7,170)	(7,358)
–	–	(29)	(88)	–	–	(29)	(88)
(2,017)	(1,687)	(641)	(572)	19	28	(11,250)	(10,679)
(759)	(608)	(243)	(207)	114	103	(1,566)	(1,370)
(5)	(61)	(90)	–	–	–	(100)	(147)
–	–	(2)	(1)	7	8	(54)	(44)
–	–	–	–	–	10	–	10
1,704	**1,188**	**(513)**	**(454)**	**(49)**	**(27)**	**5,164**	**4,583**
–	–	(17)	309	(2)	(8)	3	256
–	–	288	107	(6)	–	725	486
–	(1)	(74)	(136)	–	–	(135)	(330)
–	**(1)**	**197**	**280**	**(8)**	**(8)**	**593**	**412**
–	–	(14)	(13)	6	(40)	(8)	(53)
–	–	(474)	(510)	–	–	(474)	(510)
(41)	(19)	–	(3)	–	–	(41)	(22)
(13)	(23)	(53)	(15)	22	–	(57)	(56)
–	–	–	–	–	(10)	–	(10)
(54)	**(43)**	**(344)**	**(261)**	**20**	**(58)**	**13**	**(239)**
1,650	**1,145**	**(857)**	**(715)**	**(29)**	**(85)**	**5,177**	**4,344**
(594)	(421)	183	73	3	7	(1,701)	(1,555)
1,056	**724**	**(674)**	**(642)**	**(26)**	**(78)**	**3,476**	**2,789**
48	21	2	7	–	–	181	160
1,008	703	(676)	(649)	(26)	(78)	3,295	2,629

REPORTABLE SEGMENTS — PROPERTY-CASUALTY

REPORTABLE SEGMENTS — PROPERTY-CASUALTY

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three months ended 30 June	German Speaking Countries 2013	German Speaking Countries 2012	Western & Southern Europe 2013	Western & Southern Europe 2012	Iberia & Latin America 2013	Iberia & Latin America 2012
Gross premiums written	**2,055**	**2,070**	**2,457**	**2,211**	**1,182**	**1,141**
Ceded premiums written	(350)	(350)	(139)	(124)	(207)	(212)
Change in unearned premiums	721	702	74	41	(12)	(14)
Premiums earned (net)	**2,426**	**2,422**	**2,392**	**2,128**	**963**	**915**
Interest and similar income	289	315	245	235	52	53
Operating income from financial assets and liabilities carried at fair value through income (net)	(23)	(2)	3	(5)	1	5
Operating realized gains/losses (net)	15	9	–	–	–	–
Fee and commission income	26	37	6	4	–	1
Other income	7	8	2	1	–	–
Operating revenues	**2,740**	**2,789**	**2,648**	**2,363**	**1,016**	**974**
Claims and insurance benefits incurred (net)	(1,953)	(1,723)	(1,449)	(1,434)	(645)	(633)
Change in reserves for insurance and investment contracts (net)	(81)	(68)	(10)	–	(1)	–
Interest expenses	(4)	(19)	(2)	(2)	–	(1)
Operating impairments of investments (net)	(7)	(11)	–	–	–	–
Investment expenses	(22)	(26)	(25)	(18)	(4)	(4)
Acquisition and administrative expenses (net)	(651)	(648)	(654)	(561)	(263)	(237)
Fee and commission expenses	(22)	(35)	(11)	(8)	–	–
Restructuring charges	(1)	(51)	–	(2)	–	(10)
Other expenses	(4)	(5)	(1)	(1)	–	–
Operating expenses	**(2,745)**	**(2,586)**	**(2,152)**	**(2,026)**	**(913)**	**(885)**
Operating profit (loss)	**(5)**	**203**	**496**	**337**	**103**	**89**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	18	(26)	(1)	(43)	2	(1)
Non-operating realized gains/losses (net)	22	158	132	85	6	(11)
Non-operating impairments of investments (net)	(6)	(60)	(11)	(48)	(11)	(8)
Amortization of intangible assets	–	–	(1)	(2)	(1)	(1)
Non-operating items	**34**	**72**	**119**	**(8)**	**(4)**	**(21)**
Income (loss) before income taxes	**29**	**275**	**615**	**329**	**99**	**68**
Income taxes	(9)	(71)	(176)	(157)	(29)	(21)
Net income (loss)	**20**	**204**	**439**	**172**	**70**	**47**
Net income (loss) attributable to:						
Non-controlling interests	–	2	4	4	2	3
Shareholders	20	202	435	168	68	44
Loss ratio[2] in %	80.5	71.2	60.6	67.4	67.0	69.2
Expense ratio[3] in %	26.8	26.7	27.3	26.4	27.3	25.9
Combined ratio[4] in %	**107.3**	**97.9**	**87.9**	**93.8**	**94.3**	**95.1**

1 — From the third quarter of 2012 on, Allianz Worldwide Care is shown in Allianz Worldwide Partners instead of in Global Insurance Lines & Anglo Markets. Prior year figures have been adjusted.
2 — Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
3 — Represents acquisition and administrative expenses (net) divided by premiums earned (net).
4 — Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
5 — Presentation not meaningful.

B 14

USA		Global Insurance Lines & Anglo Markets[1]		Growth Markets		Allianz Worldwide Partners[1]		Consolidation and Other		Property-Casualty	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
520	**805**	**3,892**	**4,126**	**774**	**730**	**640**	**523**	**(766)**	**(880)**	**10,754**	**10,726**
(34)	(164)	(946)	(1,013)	(182)	(170)	(26)	(8)	763	880	(1,121)	(1,161)
(25)	(38)	40	(26)	(11)	35	(44)	1	3	–	746	701
461	**603**	**2,986**	**3,087**	**581**	**595**	**570**	**516**	**–**	**–**	**10,379**	**10,266**
61	59	240	283	40	40	8	8	(3)	(17)	932	976
–	–	(14)	(9)	(2)	3	–	1	–	–	(35)	(7)
–	–	–	–	–	–	–	–	–	–	15	9
–	–	149	145	21	21	122	111	(17)	(28)	307	291
–	–	–	–	2	1	–	–	–	–	11	10
522	**662**	**3,361**	**3,506**	**642**	**660**	**700**	**636**	**(20)**	**(45)**	**11,609**	**11,545**
(297)	(546)	(1,905)	(2,095)	(371)	(371)	(364)	(317)	–	–	(6,984)	(7,119)
(3)	–	(3)	(10)	–	2	(1)	–	–	–	(99)	(76)
–	–	(2)	(5)	–	–	(1)	(1)	2	17	(7)	(11)
–	–	–	–	–	–	–	–	–	–	(7)	(11)
(1)	–	(23)	(19)	(2)	(3)	–	–	–	–	(77)	(70)
(165)	(193)	(849)	(840)	(208)	(219)	(189)	(170)	3	6	(2,976)	(2,862)
–	–	(118)	(112)	(16)	(23)	(121)	(108)	15	22	(273)	(264)
–	(1)	–	(9)	–	(3)	–	–	–	–	(1)	(76)
–	–	–	–	(1)	–	–	–	–	–	(6)	(6)
(466)	**(740)**	**(2,900)**	**(3,090)**	**(598)**	**(617)**	**(676)**	**(596)**	**20**	**45**	**(10,430)**	**(10,495)**
56	**(78)**	**461**	**416**	**44**	**43**	**24**	**40**	**–**	**–**	**1,179**	**1,050**
–	(13)	4	2	–	–	–	(1)	–	–	23	(82)
2	41	58	78	5	2	4	1	–	–	229	354
–	–	(7)	(3)	–	(1)	–	–	–	–	(35)	(120)
–	–	(2)	(3)	(2)	(7)	–	–	1	2	(5)	(11)
2	**28**	**53**	**74**	**3**	**(6)**	**4**	**–**	**1**	**2**	**212**	**141**
58	**(50)**	**514**	**490**	**47**	**37**	**28**	**40**	**1**	**2**	**1,391**	**1,191**
(7)	20	(146)	(124)	(13)	(9)	(10)	(12)	–	–	(390)	(374)
51	**(30)**	**368**	**366**	**34**	**28**	**18**	**28**	**1**	**2**	**1,001**	**817**
–	–	32	35	7	5	–	–	–	–	45	49
51	(30)	336	331	27	23	18	28	1	2	956	768
64.4	90.6	63.8	67.9	63.9	62.4	63.8	61.4	–[5]	–[5]	67.3	69.4
35.8	32.0	28.4	27.2	35.8	36.8	33.2	33.0	–[5]	–[5]	28.7	27.8
100.2	**122.6**	**92.2**	**95.1**	**99.7**	**99.2**	**97.0**	**94.4**	**–[5]**	**–[5]**	**96.0**	**97.2**

REPORTABLE SEGMENTS – PROPERTY-CASUALTY (CONTINUED)

REPORTABLE SEGMENTS – PROPERTY-CASUALTY (CONTINUED)

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	German Speaking Countries		Western & Southern Europe		Iberia & Latin America	
six months ended 30 June	2013	2012	2013	2012	2013	2012
Gross premiums written	**7,365**	**7,284**	**5,593**	**4,874**	**2,480**	**2,434**
Ceded premiums written	(1,152)	(1,155)	(378)	(343)	(385)	(437)
Change in unearned premiums	(1,364)	(1,333)	(485)	(270)	(180)	(189)
Premiums earned (net)	**4,849**	**4,796**	**4,730**	**4,261**	**1,915**	**1,808**
Interest and similar income	579	601	441	451	106	109
Operating income from financial assets and liabilities carried at fair value through income (net)	(19)	3	10	(1)	3	14
Operating realized gains/losses (net)	30	14	–	–	–	–
Fee and commission income	59	75	12	10	–	1
Other income	13	14	3	2	–	–
Operating revenues	**5,511**	**5,503**	**5,196**	**4,723**	**2,024**	**1,932**
Claims and insurance benefits incurred (net)	(3,610)	(3,402)	(2,993)	(2,936)	(1,307)	(1,247)
Change in reserves for insurance and investment contracts (net)	(171)	(129)	(21)	–	(2)	–
Interest expenses	(13)	(40)	(5)	(4)	(1)	(2)
Operating impairments of investments (net)	(8)	(14)	–	–	–	–
Investment expenses	(41)	(43)	(48)	(37)	(7)	(7)
Acquisition and administrative expenses (net)	(1,211)	(1,272)	(1,258)	(1,105)	(510)	(454)
Fee and commission expenses	(55)	(73)	(19)	(16)	–	–
Restructuring charges	(1)	(53)	–	(5)	–	(10)
Other expenses	(8)	(8)	(2)	(2)	–	–
Operating expenses	**(5,118)**	**(5,034)**	**(4,346)**	**(4,105)**	**(1,827)**	**(1,720)**
Operating profit (loss)	**393**	**469**	**850**	**618**	**197**	**212**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	9	(22)	(1)	(35)	2	–
Non-operating realized gains/losses (net)	52	149	172	82	16	(8)
Non-operating impairments of investments (net)	(11)	(79)	(20)	(67)	(12)	(15)
Amortization of intangible assets	(1)	(1)	(4)	(3)	(1)	(1)
Non-operating items	**49**	**47**	**147**	**(23)**	**5**	**(24)**
Income (loss) before income taxes	**442**	**516**	**997**	**595**	**202**	**188**
Income taxes	(128)	(137)	(313)	(258)	(63)	(59)
Net income (loss)	**314**	**379**	**684**	**337**	**139**	**129**
Net income (loss) attributable to:						
Non-controlling interests	1	2	8	7	3	4
Shareholders	313	377	676	330	136	125
Loss ratio[2] in %	74.4	71.0	63.3	68.9	68.3	69.0
Expense ratio[3] in %	25.0	26.5	26.6	25.9	26.6	25.1
Combined ratio[4] in %	**99.4**	**97.5**	**89.9**	**94.8**	**94.9**	**94.1**

1 — From the third quarter of 2012 on, Allianz Worldwide Care is shown in Allianz Worldwide Partners instead of in Global Insurance Lines & Anglo Markets. Prior year figures have been adjusted.
2 — Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
3 — Represents acquisition and administrative expenses (net) divided by premiums earned (net).
4 — Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
5 — Presentation not meaningful.

B 15

USA		Global Insurance Lines & Anglo Markets[1]		Growth Markets		Allianz Worldwide Partners[1]		Consolidation and Other		Property-Casualty	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
972	1,461	8,903	9,195	1,666	1,610	1,360	1,136	(2,388)	(2,471)	25,951	25,523
(63)	(288)	(2,406)	(2,464)	(380)	(382)	(52)	(26)	2,385	2,471	(2,431)	(2,624)
15	(42)	(494)	(572)	(120)	(46)	(204)	(100)	3	–	(2,829)	(2,552)
924	1,131	6,003	6,159	1,166	1,182	1,104	1,010	–	–	20,691	20,347
119	124	487	568	81	81	15	17	(9)	(36)	1,819	1,915
(1)	1	(19)	(21)	(1)	(1)	–	–	–	–	(27)	(5)
–	–	–	–	–	–	–	–	–	–	30	14
–	–	295	285	38	30	233	215	(40)	(35)	597	581
–	–	–	–	2	1	1	–	–	–	19	17
1,042	1,256	6,766	6,991	1,286	1,293	1,353	1,242	(49)	(71)	23,129	22,869
(601)	(919)	(3,837)	(4,132)	(735)	(730)	(714)	(635)	–	–	(13,797)	(14,001)
(5)	–	(12)	(29)	(1)	2	–	–	–	–	(212)	(156)
–	–	(9)	(10)	(1)	(1)	(1)	(1)	8	36	(22)	(22)
–	–	–	–	–	–	–	–	–	–	(8)	(14)
(2)	(1)	(43)	(44)	(4)	(5)	–	–	–	–	(145)	(137)
(331)	(377)	(1,809)	(1,720)	(410)	(420)	(364)	(334)	8	8	(5,885)	(5,674)
–	–	(242)	(234)	(33)	(32)	(232)	(212)	33	27	(548)	(540)
–	(1)	(2)	(8)	–	(5)	–	–	–	–	(3)	(82)
–	–	–	–	(1)	–	–	–	–	–	(11)	(10)
(939)	(1,298)	(5,954)	(6,177)	(1,185)	(1,191)	(1,311)	(1,182)	49	71	(20,631)	(20,636)
103	(42)	812	814	101	102	42	60	–	–	2,498	2,233
–	(13)	4	7	–	1	–	–	–	–	14	(62)
6	40	128	98	7	4	4	1	–	–	385	366
–	2	(7)	(6)	(1)	(1)	–	–	–	–	(51)	(166)
–	–	–	(7)	(4)	(8)	–	–	2	4	(8)	(16)
6	29	125	92	2	(4)	4	1	2	4	340	122
109	(13)	937	906	103	98	46	61	2	4	2,838	2,355
(21)	10	(251)	(215)	(30)	(25)	(14)	(18)	–	–	(820)	(702)
88	(3)	686	691	73	73	32	43	2	4	2,018	1,653
–	–	61	63	14	13	1	–	–	–	88	89
88	(3)	625	628	59	60	31	43	2	4	1,930	1,564
65.1	81.3	64.0	67.1	63.0	61.8	64.6	62.8	–[5]	–[5]	66.7	68.8
35.8	33.3	30.1	27.9	35.2	35.5	33.0	33.1	–[5]	–[5]	28.4	27.9
100.9	114.6	94.1	95.0	98.2	97.3	97.6	95.9	–[5]	–[5]	95.1	96.7

REPORTABLE SEGMENTS – LIFE/HEALTH

REPORTABLE SEGMENTS – LIFE/HEALTH

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three months ended 30 June	German Speaking Countries 2013	German Speaking Countries 2012	Western & Southern Europe 2013	Western & Southern Europe 2012
Statutory premiums[1]	**4,845**	**4,585**	**5,514**	**4,532**
Ceded premiums written	(43)	(43)	(273)	(310)
Change in unearned premiums	(41)	(42)	12	16
Statutory premiums (net)	**4,761**	**4,500**	**5,253**	**4,238**
Deposits from insurance and investment contracts	(1,177)	(1,086)	(4,134)	(3,220)
Premiums earned (net)	**3,584**	**3,414**	**1,119**	**1,018**
Interest and similar income	2,322	2,323	1,053	1,106
Operating income from financial assets and liabilities carried at fair value through income (net)	(507)	139	59	(80)
Operating realized gains/losses (net)	519	533	122	144
Fee and commission income	14	13	111	82
Other income	27	33	4	4
Operating revenues	**5,959**	**6,455**	**2,468**	**2,274**
Claims and insurance benefits incurred (net)	(2,996)	(3,026)	(1,073)	(930)
Changes in reserves for insurance and investment contracts (net)	(2,020)	(2,368)	(579)	(534)
Interest expenses	(28)	(27)	(8)	(5)
Operating impairments of investments (net)	(101)	(106)	(29)	(94)
Investment expenses	(127)	(131)	(49)	(44)
Acquisition and administrative expenses (net)	(412)	(398)	(439)	(392)
Fee and commission expenses	(5)	(3)	(58)	(42)
Restructuring charges	–	–	(1)	(1)
Other expenses	(23)	(20)	(2)	(2)
Operating expenses	**(5,712)**	**(6,079)**	**(2,238)**	**(2,044)**
Operating profit (loss)	**247**	**376**	**230**	**230**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	–	–	(5)	7
Non-operating realized gains/losses (net)	–	–	18	(10)
Non-operating impairments of investments (net)	–	–	(4)	(22)
Amortization of intangible assets	(1)	(1)	–	–
Non-operating items	**(1)**	**(1)**	**9**	**(25)**
Income (loss) before income taxes	**246**	**375**	**239**	**205**
Income taxes	(96)	(128)	(58)	(93)
Net income (loss)	**150**	**247**	**181**	**112**
Net income (loss) attributable to:				
Non-controlling interests	–	–	7	5
Shareholders	150	247	174	107
Margin on reserves[2] **in basis points**	**45**	**73**	**67**	**73**

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 — Represents operating profit (loss) divided by the average of the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

3 — Presentation not meaningful.

B 16

Iberia & Latin America		USA		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
557	374	1,788	1,976	134	120	1,578	1,576	(291)	(302)	14,125	12,861
(3)	(13)	(29)	(31)	(20)	(13)	(74)	(71)	291	302	(151)	(179)
5	–	(3)	–	(4)	–	(19)	(25)	–	–	(50)	(51)
559	361	1,756	1,945	110	107	1,485	1,480	–	–	13,924	12,631
(312)	(199)	(1,536)	(1,747)	–	–	(853)	(845)	–	–	(8,012)	(7,097)
247	162	220	198	110	107	632	635	–	–	5,912	5,534
91	88	691	701	22	19	207	203	(18)	(17)	4,368	4,423
(4)	–	(177)	(255)	(36)	2	(19)	(7)	(2)	(4)	(686)	(205)
4	(3)	62	49	–	–	11	10	–	–	718	733
1	2	21	16	–	–	22	18	(1)	–	168	131
–	–	–	–	–	–	–	–	–	–	31	37
339	249	817	709	96	128	853	859	(21)	(21)	10,511	10,653
(198)	(160)	(22)	(25)	(84)	(90)	(617)	(339)	–	–	(4,990)	(4,570)
(45)	(5)	(346)	(392)	–	(15)	62	(203)	–	–	(2,928)	(3,517)
–	(1)	(1)	(1)	(1)	(1)	(2)	(2)	19	16	(21)	(21)
(1)	–	–	1	–	–	(1)	(5)	–	–	(132)	(204)
(2)	(1)	(9)	(9)	–	–	(6)	(6)	–	–	(193)	(191)
(52)	(45)	(329)	(146)	(26)	(27)	(222)	(245)	2	–	(1,478)	(1,253)
–	–	(10)	(10)	–	–	(1)	–	–	–	(74)	(55)
–	(1)	–	–	–	–	–	–	–	–	(1)	(2)
–	–	–	–	–	–	–	–	–	–	(25)	(22)
(298)	(213)	(717)	(582)	(111)	(133)	(787)	(800)	21	16	(9,842)	(9,835)
41	36	100	127	(15)	(5)	66	59	–	(5)	669	818
–	–	–	(3)	–	–	–	–	–	–	(5)	4
–	–	1	–	–	–	5	–	–	–	24	(10)
–	–	–	–	–	–	(2)	–	–	–	(6)	(22)
–	–	–	–	–	–	(1)	–	–	–	(2)	(1)
–	–	1	(3)	–	–	2	–	–	–	11	(29)
41	36	101	124	(15)	(5)	68	59	–	(5)	680	789
(13)	(10)	(23)	(39)	1	–	(17)	(12)	–	–	(206)	(282)
28	26	78	85	(14)	(5)	51	47	–	(5)	474	507
5	6	–	–	–	–	8	10	–	–	20	21
23	20	78	85	(14)	(5)	43	37	–	(5)	454	486
215	209	56	76	(320)	(97)	99	93	–[3]	–[3]	58	75

REPORTABLE SEGMENTS – LIFE/HEALTH (CONTINUED)

REPORTABLE SEGMENTS – LIFE/HEALTH (CONTINUED)

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six months ended 30 June	German Speaking Countries 2013	German Speaking Countries 2012	Western & Southern Europe 2013	Western & Southern Europe 2012
Statutory premiums[1]	**11,173**	**10,507**	**10,642**	**8,332**
Ceded premiums written	(88)	(85)	(617)	(473)
Change in unearned premiums	(71)	(76)	(1)	18
Statutory premiums (net)	**11,014**	**10,346**	**10,024**	**7,877**
Deposits from insurance and investment contracts	(3,226)	(2,778)	(7,787)	(5,770)
Premiums earned (net)	**7,788**	**7,568**	**2,237**	**2,107**
Interest and similar income	4,525	4,396	1,944	2,088
Operating income from financial assets and liabilities carried at fair value through income (net)	(531)	81	101	(5)
Operating realized gains/losses (net)	1,233	1,438	264	255
Fee and commission income	26	22	203	165
Other income	60	73	20	6
Operating revenues	**13,101**	**13,578**	**4,769**	**4,616**
Claims and insurance benefits incurred (net)	(6,193)	(6,566)	(2,047)	(1,879)
Changes in reserves for insurance and investment contracts (net)	(4,994)	(4,942)	(1,146)	(1,165)
Interest expenses	(51)	(51)	(14)	(12)
Operating impairments of investments (net)	(140)	(131)	(52)	(138)
Investment expenses	(250)	(234)	(99)	(86)
Acquisition and administrative expenses (net)	(766)	(904)	(848)	(826)
Fee and commission expenses	(12)	(12)	(105)	(84)
Restructuring charges	(1)	(1)	(1)	(2)
Other expenses	(43)	(37)	(5)	(4)
Operating expenses	**(12,450)**	**(12,878)**	**(4,317)**	**(4,196)**
Operating profit (loss)	**651**	**700**	**452**	**420**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	–	–	(1)	8
Non-operating realized gains/losses (net)	–	–	39	8
Non-operating impairments of investments (net)	–	–	(7)	(27)
Amortization of intangible assets	(1)	(2)	–	–
Non-operating items	**(1)**	**(2)**	**31**	**(11)**
Income (loss) before income taxes	**650**	**698**	**483**	**409**
Income taxes	(244)	(240)	(116)	(122)
Net income (loss)	**406**	**458**	**367**	**287**
Net income (loss) attributable to:				
Non-controlling interests	–	–	13	17
Shareholders	406	458	354	270
Margin on reserves[2] in basis points	**60**	**69**	**67**	**68**

1 — Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 — Represents operating profit (loss) divided by the average of the current quarter-end and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

3 — Presentation not meaningful.

B 17

Iberia & Latin America		USA		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
994	**728**	**3,350**	**3,999**	**266**	**240**	**3,176**	**3,204**	**(639)**	**(450)**	**28,962**	**26,560**
(13)	(26)	(59)	(61)	(31)	(25)	(139)	(113)	639	450	(308)	(333)
(25)	(1)	(4)	–	(4)	–	(59)	(59)	–	–	(164)	(118)
956	**701**	**3,287**	**3,938**	**231**	**215**	**2,978**	**3,032**	**–**	**–**	**28,490**	**26,109**
(578)	(333)	(2,859)	(3,540)	–	–	(1,768)	(1,793)	–	–	(16,218)	(14,214)
378	**368**	**428**	**398**	**231**	**215**	**1,210**	**1,239**	**–**	**–**	**12,272**	**11,895**
183	184	1,369	1,405	41	36	417	408	(34)	(32)	8,445	8,485
2	5	(428)	(423)	(54)	(21)	(14)	(3)	(6)	(1)	(930)	(367)
6	(19)	81	72	–	–	33	54	–	–	1,617	1,800
2	3	37	31	–	–	42	37	(2)	–	308	258
–	–	–	–	–	–	–	–	–	–	80	79
571	**541**	**1,487**	**1,483**	**218**	**230**	**1,688**	**1,735**	**(42)**	**(33)**	**21,792**	**22,150**
(337)	(301)	(44)	(47)	(182)	(167)	(1,013)	(719)	–	–	(9,816)	(9,679)
(49)	(77)	(663)	(680)	5	(9)	(82)	(358)	–	–	(6,929)	(7,231)
(1)	(2)	(3)	(3)	(1)	(1)	(4)	(4)	34	32	(40)	(41)
(1)	–	–	8	–	–	(1)	(5)	–	–	(194)	(266)
(3)	(3)	(17)	(17)	–	–	(14)	(13)	–	–	(383)	(353)
(100)	(98)	(546)	(429)	(48)	(45)	(421)	(471)	3	(1)	(2,726)	(2,774)
–	–	(13)	(22)	–	–	(1)	–	1	–	(130)	(118)
–	(1)	–	–	–	–	–	–	–	–	(2)	(4)
–	–	–	–	–	–	–	–	–	–	(48)	(41)
(491)	**(482)**	**(1,286)**	**(1,190)**	**(226)**	**(222)**	**(1,536)**	**(1,570)**	**38**	**31**	**(20,268)**	**(20,507)**
80	**59**	**201**	**293**	**(8)**	**8**	**152**	**165**	**(4)**	**(2)**	**1,524**	**1,643**
–	–	9	9	–	–	–	–	–	–	8	17
–	–	1	5	–	–	18	–	–	–	58	13
–	–	–	–	–	–	(3)	–	–	–	(10)	(27)
–	–	–	–	–	–	(4)	–	–	–	(5)	(2)
–	**–**	**10**	**14**	**–**	**–**	**11**	**–**	**–**	**–**	**51**	**1**
80	**59**	**211**	**307**	**(8)**	**8**	**163**	**165**	**(4)**	**(2)**	**1,575**	**1,644**
(24)	(16)	(53)	(99)	(1)	(3)	(35)	(32)	–	–	(473)	(512)
56	**43**	**158**	**208**	**(9)**	**5**	**128**	**133**	**(4)**	**(2)**	**1,102**	**1,132**
11	7	–	–	–	–	19	19	–	–	43	43
45	36	158	208	(9)	5	109	114	(4)	(2)	1,059	1,089
209	**172**	**58**	**87**	**(81)**	**70**	**114**	**130**	**–**[3]	**–**[3]	**66**	**77**

REPORTABLE SEGMENTS — ASSET MANAGEMENT

REPORTABLE SEGMENTS — ASSET MANAGEMENT B 18

€ MN three months ended 30 June	2013	2012
Net fee and commission income[1]	1,809	1,494
Net interest income[2]	4	6
Income from financial assets and liabilities carried at fair value through income (net)	–	(7)
Other income	2	4
Operating revenues	**1,815**	**1,497**
Administrative expenses (net), excluding acquisition-related expenses	(1,009)	(861)
Restructuring charges	(2)	(61)
Operating expenses	**(1,011)**	**(922)**
Operating profit	**804**	**575**
Impairments of investments (net)	–	(1)
Acquisition-related expenses	(16)	(8)
Amortization of intangible assets	(7)	(12)
Non-operating items	**(23)**	**(21)**
Income before income taxes	**781**	**554**
Income taxes	(293)	(209)
Net income	**488**	**345**
Net income attributable to:		
Non-controlling interests	22	10
Shareholders	466	335
Cost-income ratio[3] in %	**55.7**	**61.6**

1 — Represents fee and commission income less fee and commission expenses.
2 — Represents interest and similar income less interest expenses.
3 — Represents operating expenses divided by operating revenues.

REPORTABLE SEGMENTS – ASSET MANAGEMENT (CONTINUED)

REPORTABLE SEGMENTS – ASSET MANAGEMENT (CONTINUED) B 19

€ MN six months ended 30 June	2013	2012
Net fee and commission income[1]	3,706	2,909
Net interest income[2]	8	12
Income from financial assets and liabilities carried at fair value through income (net)	7	7
Other income	5	8
Operating revenues	**3,726**	**2,936**
Administrative expenses (net), excluding acquisition-related expenses	(2,017)	(1,687)
Restructuring charges	(5)	(61)
Operating expenses	**(2,022)**	**(1,748)**
Operating profit	**1,704**	**1,188**
Impairments of investments (net)	–	(1)
Acquisition-related expenses	(41)	(19)
Amortization of intangible assets	(13)	(23)
Non-operating items	**(54)**	**(43)**
Income before income taxes	**1,650**	**1,145**
Income taxes	(594)	(421)
Net income	**1,056**	**724**
Net income attributable to:		
Non-controlling interests	48	21
Shareholders	1,008	703
Cost-income ratio[3] in %	**54.3**	**59.5**

1 — Represents fee and commission income less fee and commission expenses.
2 — Represents interest and similar income less interest expenses.
3 — Represents operating expenses divided by operating revenues.

REPORTABLE SEGMENTS — CORPORATE AND OTHER

REPORTABLE SEGMENTS — CORPORATE AND OTHER

€ MN

	Holding & Treasury	
three months ended 30 June	2013	2012
Interest and similar income	53	72
Operating income from financial assets and liabilities carried at fair value through income (net)	7	12
Fee and commission income	10	18
Other income	–	–
Operating revenues	**70**	**102**
Interest expenses, excluding interest expenses from external debt	(86)	(103)
Loan loss provisions	–	–
Investment expenses	(20)	(27)
Administrative expenses (net), excluding acquisition-related expenses	(184)	(124)
Fee and commission expenses	(57)	(21)
Restructuring charges	–	–
Other expenses	–	–
Operating expenses	**(347)**	**(275)**
Operating profit (loss)	**(277)**	**(173)**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(10)	110
Realized gains/losses (net)	201	12
Impairments of investments (net)	(22)	(64)
Income from fully consolidated private equity investments (net)	–	–
Interest expenses from external debt	(233)	(251)
Acquisition-related expenses	–	(2)
Amortization of intangible assets	(3)	(7)
Non-operating items	**(67)**	**(202)**
Income (loss) before income taxes	**(344)**	**(375)**
Income taxes	64	112
Net income (loss)	**(280)**	**(263)**
Net (income) loss attributable to:		
Non-controlling interests	–	–
Shareholders	(280)	(263)
Cost-income ratio[1] for the reportable segment Banking in %		

1 — Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses, restructuring charges and other expenses divided by interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), fee and commission income, other income, interest expenses, excluding interest expenses from external debt and fee and commission expenses.

B 20

Banking		Alternative Investments		Consolidation		Corporate and Other	
2013	2012	2013	2012	2013	2012	2013	2012
154	183	–	4	–	–	207	259
3	(1)	–	(1)	–	–	10	10
125	107	41	39	(1)	(3)	175	161
(2)	–	1	1	–	–	(1)	1
280	**289**	**42**	**43**	**(1)**	**(3)**	**391**	**431**
(72)	(87)	–	–	–	1	(158)	(189)
(15)	(42)	–	–	–	–	(15)	(42)
–	–	(1)	1	1	1	(20)	(25)
(117)	(118)	(37)	(31)	–	1	(338)	(272)
(74)	(62)	–	–	–	1	(131)	(82)
(2)	–	–	–	–	–	(2)	–
(1)	(1)	–	–	–	–	(1)	(1)
(281)	**(310)**	**(38)**	**(30)**	**1**	**4**	**(665)**	**(611)**
(1)	**(21)**	**4**	**13**	**–**	**1**	**(274)**	**(180)**
–	–	1	–	–	(1)	(9)	109
5	14	–	–	–	–	206	26
(1)	–	–	–	–	–	(23)	(64)
–	–	(7)	(1)	–	–	(7)	(1)
–	–	–	–	–	–	(233)	(251)
–	–	–	–	–	–	–	(2)
–	–	–	–	–	–	(3)	(7)
4	**14**	**(6)**	**(1)**	**–**	**(1)**	**(69)**	**(190)**
3	**(7)**	**(2)**	**12**	**–**	**–**	**(343)**	**(370)**
–	(2)	2	(6)	–	–	66	104
3	**(9)**	**–**	**6**	**–**	**–**	**(277)**	**(266)**
1	2	(1)	4	–	–	–	6
2	(11)	1	2	–	–	(277)	(272)
89.6	**85.0**						

REPORTABLE SEGMENTS – CORPORATE AND OTHER (CONTINUED)

REPORTABLE SEGMENTS – CORPORATE AND OTHER (CONTINUED)

€ MN

	Holding & Treasury	
six months ended 30 June	2013	2012
Interest and similar income	174	127
Operating income from financial assets and liabilities carried at fair value through income (net)	14	14
Fee and commission income	20	31
Other income	–	–
Operating revenues	**208**	**172**
Interest expenses, excluding interest expenses from external debt	(175)	(212)
Loan loss provisions	–	–
Investment expenses	(38)	(47)
Administrative expenses (net), excluding acquisition-related expenses	(330)	(260)
Fee and commission expenses	(109)	(83)
Restructuring charges	–	–
Other expenses	–	–
Operating expenses	**(652)**	**(602)**
Operating profit (loss)	**(444)**	**(430)**
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(17)	308
Realized gains/losses (net)	253	93
Impairments of investments (net)	(73)	(136)
Income from fully consolidated private equity investments (net)	–	–
Interest expenses from external debt	(474)	(510)
Acquisition-related expenses	–	(3)
Amortization of intangible assets	(7)	(15)
Non-operating items	**(318)**	**(263)**
Income (loss) before income taxes	**(762)**	**(693)**
Income taxes	167	74
Net loss	**(595)**	**(619)**
Net loss attributable to:		
Non-controlling interests	–	–
Shareholders	(595)	(619)
Cost-income ratio[1] for the reportable segment Banking in %		

1 — Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses, restructuring charges and other expenses divided by interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), fee and commission income, other income, interest expenses, excluding interest expenses from external debt and fee and commission expenses.

B 21

Banking		Alternative Investments		Consolidation		Corporate and Other	
2013	2012	2013	2012	2013	2012	2013	2012
311	373	4	10	–	(1)	489	509
5	7	–	(1)	–	–	19	20
245	219	80	78	(2)	(5)	343	323
–	–	2	2	(1)	(1)	1	1
561	**599**	**86**	**89**	**(3)**	**(7)**	**852**	**853**
(145)	(178)	(1)	(2)	–	1	(321)	(391)
(29)	(88)	–	–	–	–	(29)	(88)
–	–	(2)	(2)	1	1	(39)	(48)
(245)	(243)	(68)	(73)	2	4	(641)	(572)
(134)	(125)	–	–	–	1	(243)	(207)
(90)	–	–	–	–	–	(90)	–
(2)	(1)	–	–	–	–	(2)	(1)
(645)	**(635)**	**(71)**	**(77)**	**3**	**7**	**(1,365)**	**(1,307)**
(84)	**(36)**	**15**	**12**	**–**	**–**	**(513)**	**(454)**
–	–	–	1	–	–	(17)	309
8	14	–	–	27	–	288	107
(1)	–	–	–	–	–	(74)	(136)
–	–	(14)	(13)	–	–	(14)	(13)
–	–	–	–	–	–	(474)	(510)
–	–	–	–	–	–	–	(3)
–	–	(46)	–	–	–	(53)	(15)
7	**14**	**(60)**	**(12)**	**27**	**–**	**(344)**	**(261)**
(77)	**(22)**	**(45)**	**–**	**27**	**–**	**(857)**	**(715)**
24	3	(3)	(4)	(5)	–	183	73
(53)	**(19)**	**(48)**	**(4)**	**22**	**–**	**(674)**	**(642)**
3	3	(1)	4	–	–	2	7
(56)	(22)	(47)	(8)	22	–	(676)	(649)
119.5	**82.4**						

NOTES TO THE CONSOLIDATED BALANCE SHEETS

5 — Financial assets carried at fair value through income

FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME B 22

€ MN	as of 30 June 2013	as of 31 December 2012
Financial assets held for trading		
Debt securities	338	328
Equity securities	122	153
Derivative financial instruments	1,244	1,865
Subtotal	**1,704**	**2,346**
Financial assets designated at fair value through income		
Debt securities	2,082	2,349
Equity securities	2,224	2,588
Subtotal	**4,306**	**4,937**
Total	**6,010**	**7,283**

6 — Investments

INVESTMENTS B 23

€ MN	as of 30 June 2013	as of 31 December 2012
Available-for-sale investments	380,823	383,254
Held-to-maturity investments	4,092	4,321
Funds held by others under reinsurance contracts assumed	895	1,188
Investments in associates and joint ventures	3,508	3,219
Real estate held for investment	9,881	9,646
Total	**399,199**	**401,628**

AVAILABLE-FOR-SALE INVESTMENTS

AVAILABLE-FOR-SALE INVESTMENTS B 24

€ MN

	as of 30 June 2013				as of 31 December 2012			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Debt securities								
Government and agency mortgage-backed securities (residential and commercial)	3,125	144	(8)	3,261	4,026	291	(2)	4,315
Corporate mortgage-backed securities (residential and commercial)	11,002	850	(87)	11,765	10,778	1,202	(107)	11,873
Other asset-backed securities	2,676	225	(22)	2,879	2,532	276	(27)	2,781
Government and government agency bonds								
Germany	13,350	1,163	(34)	14,479	13,066	1,521	(5)	14,582
Italy	27,630	1,391	(185)	28,836	29,762	1,483	(206)	31,039
France	31,950	2,766	(232)	34,484	31,384	4,431	(34)	35,781
United States	8,690	418	(144)	8,964	8,489	851	(10)	9,330
Spain	2,333	107	(60)	2,380	2,582	32	(136)	2,478
Belgium	8,630	879	(5)	9,504	8,537	1,372	(1)	9,908
Greece	1	1	–	2	7	4	–	11
Portugal	252	1	(5)	248	251	1	(11)	241
Ireland	28	1	–	29	76	3	–	79
Hungary	763	43	(1)	805	662	42	–	704
All other countries	53,880	3,399	(609)	56,670	51,213	5,329	(52)	56,490
Subtotal	**147,507**	**10,169**	**(1,275)**	**156,401**	**146,029**	**15,069**	**(455)**	**160,643**
Corporate bonds[1]	168,906	9,780	(1,823)	176,863	161,150	14,142	(954)	174,338
Other	2,407	239	(9)	2,637	2,574	266	(23)	2,817
Subtotal	**335,623**	**21,407**	**(3,224)**	**353,806**	**327,089**	**31,246**	**(1,568)**	**356,767**
Equity securities[2]	19,146	8,075	(204)	27,017	17,950	8,632	(95)	26,487
Total	**354,769**	**29,482**	**(3,428)**	**380,823**	**345,039**	**39,878**	**(1,663)**	**383,254**

1 — Includes bonds issued by Spanish banks with a fair value of €467 MN (2012: €508 MN), thereof subordinated bonds with a fair value of €102 MN (2012: €107 MN).
2 — Includes shares invested in Spanish banks with a fair value of €228 MN (2012: €279 MN).

7 — Loans and advances to banks and customers

LOANS AND ADVANCES TO BANKS AND CUSTOMERS B 25

€ MN

	as of 30 June 2013			as of 31 December 2012		
	Banks	Customers	Total	Banks	Customers	Total
Short-term investments and certificates of deposit	2,997	–	2,997	4,207	–	4,207
Reverse repurchase agreements	660	–	660	789	–	789
Collateral paid for securities borrowing transactions and derivatives	478	–	478	365	–	365
Loans	63,560	50,682	114,242	64,049	49,633	113,682
Other	289	35	324	436	42	478
Subtotal	**67,984**	**50,717**	**118,701**	**69,846**	**49,675**	**119,521**
Loan loss allowance	–	(156)	(156)	–	(152)	(152)
Total	**67,984**	**50,561**	**118,545**	**69,846**	**49,523**	**119,369**

LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF CUSTOMER

LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF CUSTOMER B 26

€ MN

	as of 30 June 2013	as of 31 December 2012
Corporate customers	19,099	18,126
Private customers	24,135	24,024
Public customers	7,483	7,525
Total	**50,717**	**49,675**

8 — Reinsurance assets

REINSURANCE ASSETS B 27

€ MN

	as of 30 June 2013	as of 31 December 2012
Unearned premiums	1,957	1,546
Reserves for loss and loss adjustment expenses	7,061	7,318
Aggregate policy reserves	4,589	4,295
Other insurance reserves	107	95
Total	**13,714**	**13,254**

9 — Deferred acquisition costs

DEFERRED ACQUISITION COSTS B 28

€ MN

	as of 30 June 2013	as of 31 December 2012
Deferred acquisition costs		
Property-Casualty	4,584	4,323
Life/Health	15,459	13,521
Asset Management	137	139
Subtotal	**20,180**	**17,983**
Present value of future profits	932	945
Deferred sales inducements	800	524
Total	**21,912**	**19,452**

10 — Other assets

OTHER ASSETS B 29

€ MN

	as of 30 June 2013	as of 31 December 2012
Receivables		
Policyholders	5,768	6,005
Agents	5,186	4,497
Reinsurers	1,608	2,421
Other	5,322	4,054
Less allowance for doubtful accounts	(722)	(730)
Subtotal	**17,162**	**16,247**
Tax receivables		
Income taxes	1,442	1,363
Other taxes	1,137	1,278
Subtotal	**2,579**	**2,641**
Accrued dividends, interest and rent	7,008	7,780
Prepaid expenses		
Interest and rent	16	17
Other prepaid expenses	336	300
Subtotal	**352**	**317**
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	114	129
Property and equipment		
Real estate held for own use	2,604	2,885
Software	1,627	1,590
Equipment	1,030	967
Fixed assets of Alternative Investments	1,230	1,225
Subtotal	**6,491**	**6,667**
Other assets	1,444	1,415
Total	**35,150**	**35,196**

11 — Non-current assets classified as held for sale

NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE — B 30

€ MN	as of 30 June 2013	as of 31 December 2012
Non-current assets classified as held for sale		
Real estate held for investment	117	15
Total	**117**	**15**

For the year ended 31 December 2012, the non-current assets classified as held for sale comprised only real estate held for investment which, as expected, were sold during the first quarter of 2013.

As of 30 June 2013, the non-current assets classified as held for sale of €117 MN comprise an office building allocated to the business segment Life/Health in Germany. The sale of this investment is expected to be completed during the year ended 31 December 2013. Upon measurement of the non-current assets at fair value less costs to sell no impairment was recognized for the three and the six months ended 30 June 2013.

12 — Intangible assets

INTANGIBLE ASSETS — B 31

€ MN	as of 30 June 2013	as of 31 December 2012
Intangible assets with indefinite useful lives		
Goodwill	11,639	11,679
Brand names[1]	299	302
Subtotal	**11,938**	**11,981**
Intangible assets with finite useful lives		
Distribution agreements[2]	875	826
Customer relationships	137	152
Other[3]	110	131
Subtotal	**1,122**	**1,109**
Total	**13,060**	**13,090**

1 — Includes primarily the brand name of Selecta AG, Muntelier.
2 — Includes primarily the long-term distribution agreements with Commerzbank AG of €391 MN (2012: €410 MN), Banco Popular S.A. of €378 MN (2012: €386 MN) and HSBC Asia of €77 MN (2012: €– MN).
3 — Includes primarily acquired business portfolios and renewal rights of €59 MN (2012: €67 MN) and heritable building rights of €17 MN (2012: €15 MN). The other distribution rights of €20 MN (2012: €20 MN) and the bancassurance agreements of €9 MN (2012: €10 MN) were reclassified from line item "Other" into line item "Distribution agreements".

GOODWILL

GOODWILL — B 32

€ MN	2013
Cost as of 1 January	12,573
Accumulated impairments as of 1 January	(894)
Carrying amount as of 1 January	**11,679**
Additions	2
Disposals	–
Foreign currency translation adjustments	4
Impairments	(46)
Carrying amount as of 30 June	**11,639**
Accumulated impairments as of 30 June	940
Cost as of 30 June	12,579

In the first quarter of 2013, the Goodwill of a fully consolidated private equity investment was impaired by €46 MN in the business segment Corporate and Other.

13 — Financial liabilities carried at fair value through income

FINANCIAL LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME B 33

€ MN

	as of 30 June 2013	as of 31 December 2012
Financial liabilities held for trading		
Derivative financial instruments	5,833	5,395
Other trading liabilities	3	2
Subtotal	**5,836**	**5,397**
Financial liabilities designated at fair value through income	–	–
Total	**5,836**	**5,397**

14 — Liabilities to banks and customers

LIABILITIES TO BANKS AND CUSTOMERS B 34

€ MN

	as of 30 June 2013			as of 31 December 2012		
	Banks	Customers	Total	Banks	Customers	Total
Payable on demand	191	4,294	4,485	135	4,724	4,859
Savings deposits	–	2,858	2,858	–	2,897	2,897
Term deposits and certificates of deposit	941	1,615	2,556	986	1,651	2,637
Repurchase agreements	1,820	1	1,821	743	656	1,399
Collateral received from securities lending transactions and derivatives	2,016	–	2,016	1,793	–	1,793
Other	5,126	3,472	8,598	5,420	3,420	8,840
Total	**10,094**	**12,240**	**22,334**	**9,077**	**13,348**	**22,425**

15 — Reserves for loss and loss adjustment expenses

RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES B 35

€ MN

	as of 30 June 2013	as of 31 December 2012
Property-Casualty	58,390	62,711
Life/Health	9,723	9,854
Consolidation	(7)	(25)
Total	**68,106**	**72,540**

CHANGE IN THE RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES IN THE BUSINESS SEGMENT PROPERTY-CASUALTY

CHANGE IN THE RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES IN THE BUSINESS SEGMENT PROPERTY-CASUALTY B 36

€ MN

	2013			2012		
	Gross	Ceded	Net	Gross	Ceded	Net
As of 1 January	**62,711**	**(6,905)**	**55,806**	**59,493**	**(6,658)**	**52,835**
Loss and loss adjustment expenses incurred						
Current year	15,939	(1,396)	14,543	15,540	(1,054)	14,486
Prior years	(918)	172	(746)	(599)	114	(485)
Subtotal	**15,021**	**(1,224)**	**13,797**	**14,941**	**(940)**	**14,001**
Loss and loss adjustment expenses paid						
Current year	(5,831)	197	(5,634)	(5,631)	298	(5,333)
Prior years	(9,793)	938	(8,855)	(8,753)	742	(8,011)
Subtotal	**(15,624)**	**1,135**	**(14,489)**	**(14,384)**	**1,040**	**(13,344)**
Foreign currency translation adjustments and other changes	(491)	67	(424)	548	(87)	461
Changes in the consolidated subsidiaries of the Allianz Group	(20)	–	(20)	–	–	–
Reclassifications[1]	(3,207)	280	(2,927)	–	–	–
As of 30 June	**58,390**	**(6,647)**	**51,743**	**60,598**	**(6,645)**	**53,953**

1 — Effective 1 January 2013, the Allianz Group changed its presentation of discounted loss reserves in the consolidated balance sheet from the line item "Reserves for loss and loss adjustment expenses" to the line item "Reserves for insurance and investment contracts". For further information please see note 2.

16 — Reserves for insurance and investment contracts

RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS B 37

€ MN

	as of 30 June 2013	as of 31 December 2012
Aggregate policy reserves	360,062	350,244
Reserves for premium refunds	36,250	40,031
Other insurance reserves	720	710
Total	**397,032**	**390,985**

17 — Other liabilities

OTHER LIABILITIES B 38

€ MN	as of 30 June 2013	as of 31 December 2012
Payables		
Policyholders	3,889	4,710
Reinsurance	1,333	1,845
Agents	1,657	1,529
Subtotal	**6,879**	**8,084**
Payables for social security	370	458
Tax payables		
Income taxes	2,377	2,680
Other taxes	1,308	1,143
Subtotal	**3,685**	**3,823**
Accrued interest and rent	627	671
Unearned income		
Interest and rent	17	5
Other	296	288
Subtotal	**313**	**293**
Provisions		
Pensions and similar obligations	8,113	8,069
Employee related	2,165	2,100
Share-based compensation plans	589	558
Restructuring plans	317	304
Loan commitments	56	67
Contingent losses from non-insurance business	140	166
Other provisions	1,440	1,632
Subtotal	**12,820**	**12,896**
Deposits retained for reinsurance ceded	1,916	1,834
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	198	462
Financial liabilities for puttable equity instruments	2,409	2,601
Other liabilities	7,055	6,270
Total	**36,272**	**37,392**

The change in the restructuring provisions is mainly driven by the closure of Allianz Bank by 30 June 2013. In this regard, restructuring charges of €90 MN, thereof restructuring provisions of €86 MN, were recorded in the reportable segment banking in the first six months of 2013.

The use of the provisions as well as the transfers to other provisions of other restructuring programs almost completely offset this increase. There were no other significant changes in the estimates for restructuring provisions as described in the Allianz Group Annual Report 2012.

18 — Certificated liabilities

CERTIFICATED LIABILITIES B 39

€ MN	as of 30 June 2013	as of 31 December 2012
Allianz SE[1]		
Senior bonds[2]	6,551	5,942
Money market securities	1,119	1,180
Subtotal	**7,670**	**7,122**
Banking subsidiaries		
Senior bonds	592	813
Subtotal	**592**	**813**
All other subsidiaries		
Certificated liabilities	25	25
Subtotal	**25**	**25**
Total	**8,287**	**7,960**

1 — Includes senior bonds issued by Allianz Finance II B.V., guaranteed by Allianz SE, and money market securities issued by Allianz Finance Corporation, a wholly-owned subsidiary of Allianz SE, which are fully and unconditionally guaranteed by Allianz SE.
2 — Change due to the issuance of senior bonds in the amount of €2.1 BN in the first quarter of 2013 and the repayment of a €1.5 BN bond in the first quarter of 2013.

19 — Participation certificates and subordinated liabilities

PARTICIPATION CERTIFICATES AND SUBORDINATED LIABILITIES B 40

€ MN	as of 30 June 2013	as of 31 December 2012
Allianz SE[1]		
Subordinated bonds[2]	9,400	10,896
Subtotal	**9,400**	**10,896**
Banking subsidiaries		
Subordinated bonds	264	274
Subtotal	**264**	**274**
All other subsidiaries		
Subordinated bonds	399	399
Hybrid equity	45	45
Subtotal	**444**	**444**
Total	**10,108**	**11,614**

1 — Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.
2 — Change due to redemption of a USD2.0 BN bond in the second quarter of 2013.

20 — Equity

EQUITY B 41

€ MN	as of 30 June 2013	as of 31 December 2012
Shareholders' equity		
Issued capital	1,167	1,167
Capital reserves	27,648	27,648
Retained earnings[1]	14,796	13,524
Foreign currency translation adjustments	(2,304)	(2,073)
Unrealized gains and losses (net)[2]	6,559	10,122
Subtotal	**47,866**	**50,388**
Non-controlling interests	2,558	2,575
Total	**50,424**	**52,963**

1 — As of 30 June 2013, includes €(215) MN (2012: €(218) MN) related to treasury shares.
2 — As of 30 June 2013, includes €193 MN (2012: €256 MN) related to cash flow hedges.

DIVIDENDS

In the second quarter of 2013, a total dividend of €2,039 MN (2012: €2,037 MN) or €4.50 (2012: €4.50) per qualifying share was paid to the shareholders.

NOTES TO THE CONSOLIDATED INCOME STATEMENTS

21 — Premiums earned (net)

PREMIUMS EARNED (NET) B 42

€ MN three months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Premiums written				
Direct	10,049	5,961	–	16,010
Assumed	705	144	(11)	838
Subtotal	**10,754**	**6,105**	**(11)**	**16,848**
Ceded	(1,121)	(142)	11	(1,252)
Net	**9,633**	**5,963**	**–**	**15,596**
Change in unearned premiums				
Direct	837	(46)	–	791
Assumed	(132)	(4)	–	(136)
Subtotal	**705**	**(50)**	**–**	**655**
Ceded	41	(1)	–	40
Net	**746**	**(51)**	**–**	**695**
Premiums earned				
Direct	10,886	5,915	–	16,801
Assumed	573	140	(11)	702
Subtotal	**11,459**	**6,055**	**(11)**	**17,503**
Ceded	(1,080)	(143)	11	(1,212)
Net	**10,379**	**5,912**	**–**	**16,291**
2012				
Premiums written				
Direct	9,841	5,603	–	15,444
Assumed	885	148	(10)	1,023
Subtotal	**10,726**	**5,751**	**(10)**	**16,467**
Ceded	(1,161)	(166)	10	(1,317)
Net	**9,565**	**5,585**	**–**	**15,150**
Change in unearned premiums				
Direct	735	(51)	–	684
Assumed	(202)	2	–	(200)
Subtotal	**533**	**(49)**	**–**	**484**
Ceded	168	(2)	–	166
Net	**701**	**(51)**	**–**	**650**
Premiums earned				
Direct	10,576	5,552	–	16,128
Assumed	683	150	(10)	823
Subtotal	**11,259**	**5,702**	**(10)**	**16,951**
Ceded	(993)	(168)	10	(1,151)
Net	**10,266**	**5,534**	**–**	**15,800**

21 — Premiums earned (net) (continued)

PREMIUMS EARNED (NET) (CONTINUED) B 43

€ MN six months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Premiums written				
Direct	24,565	12,421	–	36,986
Assumed	1,386	306	(25)	1,667
Subtotal	**25,951**	**12,727**	**(25)**	**38,653**
Ceded	(2,431)	(291)	25	(2,697)
Net	**23,520**	**12,436**	**–**	**35,956**
Change in unearned premiums				
Direct	(3,006)	(165)	–	(3,171)
Assumed	(243)	1	(1)	(243)
Subtotal	**(3,249)**	**(164)**	**(1)**	**(3,414)**
Ceded	420	–	1	421
Net	**(2,829)**	**(164)**	**–**	**(2,993)**
Premiums earned				
Direct	21,559	12,256	–	33,815
Assumed	1,143	307	(26)	1,424
Subtotal	**22,702**	**12,563**	**(26)**	**35,239**
Ceded	(2,011)	(291)	26	(2,276)
Net	**20,691**	**12,272**	**–**	**32,963**
2012				
Premiums written				
Direct	23,851	12,041	–	35,892
Assumed	1,672	283	(21)	1,934
Subtotal	**25,523**	**12,324**	**(21)**	**37,826**
Ceded	(2,624)	(311)	21	(2,914)
Net	**22,899**	**12,013**	**–**	**34,912**
Change in unearned premiums				
Direct	(2,848)	(118)	–	(2,966)
Assumed	(350)	1	2	(347)
Subtotal	**(3,198)**	**(117)**	**2**	**(3,313)**
Ceded	646	(1)	(2)	643
Net	**(2,552)**	**(118)**	**–**	**(2,670)**
Premiums earned				
Direct	21,003	11,923	–	32,926
Assumed	1,322	284	(19)	1,587
Subtotal	**22,325**	**12,207**	**(19)**	**34,513**
Ceded	(1,978)	(312)	19	(2,271)
Net	**20,347**	**11,895**	**–**	**32,242**

22 — Interest and similar income

INTEREST AND SIMILAR INCOME — B 44

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Interest from held-to-maturity investments	46	50	93	102
Dividends from available-for-sale investments	524	505	823	673
Interest from available-for-sale investments	3,334	3,351	6,615	6,655
Share of earnings from investments in associates and joint ventures	18	36	45	45
Rent from real estate held for investment	202	187	393	368
Interest from loans to banks and customers	1,261	1,329	2,544	2,711
Other interest	27	30	66	66
Total	**5,412**	**5,488**	**10,579**	**10,620**

23 — Income from financial assets and liabilities carried at fair value through income (net)

INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) — B 45

€ MN

three months ended 30 June	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
2013						
Income (expenses) from financial assets and liabilities held for trading (net)	31	(156)	–	(95)	3	(217)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	1	(7)	(1)	(1)	(1)	(9)
Income (expenses) from financial liabilities for puttable equity instruments (net)	–	2	1	–	–	3
Foreign currency gains and losses (net)	(44)	(530)	–	97	–	(477)
Total	**(12)**	**(691)**	**–**	**1**	**2**	**(700)**
2012						
Income (expenses) from financial assets and liabilities held for trading (net)	(124)	(447)	(5)	129	(6)	(453)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	11	(63)	(9)	(1)	–	(62)
Income (expenses) from financial liabilities for puttable equity instruments (net)	(10)	32	7	–	–	29
Foreign currency gains and losses (net)	34	277	–	(9)	–	302
Total	**(89)**	**(201)**	**(7)**	**119**	**(6)**	**(184)**

23 — Income from financial assets and liabilities carried at fair value through income (net) (continued)

INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) (CONTINUED) B 46

€ MN

six months ended 30 June	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
2013						
Income (expenses) from financial assets and liabilities held for trading (net)	(14)	(812)	–	(55)	2	(879)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	7	105	18	–	(1)	129
Income (expenses) from financial liabilities for puttable equity instruments (net)	(2)	(61)	(12)	–	–	(75)
Foreign currency gains and losses (net)	(4)	(154)	1	57	–	(100)
Total	**(13)**	**(922)**	**7**	**2**	**1**	**(925)**
2012						
Income (expenses) from financial assets and liabilities held for trading (net)	(96)	(686)	(4)	356	(8)	(438)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	28	156	31	(2)	(1)	212
Income (expenses) from financial liabilities for puttable equity instruments (net)	(13)	(82)	(20)	–	–	(115)
Foreign currency gains and losses (net)	14	262	–	(25)	–	251
Total	**(67)**	**(350)**	**7**	**329**	**(9)**	**(90)**

INCOME (EXPENSES) FROM FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (NET)

Business segment Life/Health

For the six months ended 30 June 2013, income and expenses from financial assets and liabilities held for trading (net) in the business segment Life/Health includes expenses of €822 MN (2012: €706 MN) from derivative financial instruments. Included in this are expenses of €329 MN (2012: €193 MN) from financial derivative positions of German entities, of which expenses of €197 MN (2012: income of €304 MN) relate to duration management, income of €17 MN (2012: expenses of €124 MN) relates to protection against equity fluctuations and expenses of €147 MN (2012: €335 MN) relate to protection against foreign exchange rate fluctuations. Also included are expenses related to fixed-indexed annuity products and guaranteed benefits under unit-linked contracts of €430 MN (2012: €438 MN) from U.S. entities.

Business segment Corporate and Other

For the six months ended 30 June 2013, income and expenses from financial assets and liabilities held for trading (net) in the business segment Corporate and Other includes expenses of €12 MN (2012: income of €375 MN) from derivative financial instruments. This includes expenses of €42 MN (2012: income of €31 MN) from financial derivative instruments to protect investments and liabilities against foreign exchange rate fluctuations. In 2013, hedging of strategic equity investments not designated for hedge accounting produced no income (2012: income of €6 MN). Financial derivatives related to the Hartford investment produced no income (2012: income of €180 MN) as the Hartford Warrants were sold by the Allianz Group in April 2012. Expenses of €46 MN (2012: €27 MN) from the hedges of share-based compensation plans (restricted stock units) are also included.

INCOME (EXPENSES) FROM FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH INCOME (NET)

For the six months ended 30 June 2013, income and expenses from financial assets and liabilities designated at fair value through income (net) in the business segment Life/Health includes income from equity investments of €60 MN (2012: €87 MN) and income of €45 MN (2012: €69 MN) from debt investments.

FOREIGN CURRENCY GAINS AND LOSSES (NET)

Foreign currency gains and losses are reported within income from financial assets and liabilities carried at fair value through income (net). These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency, that are monetary items. This excludes exchange differences arising on financial assets and liabilities measured at fair value through profit or loss, which do not have to be disclosed separately. The Allianz Group uses freestanding derivatives, included in the line item Income (expenses) from financial assets and liabilities held for trading (net), to hedge against foreign currency fluctuations. For these derivatives, expenses in the amount of €196 MN (2012: €284 MN) were recognized for the six months ended 30 June 2013.

24 — Realized gains/losses (net)

REALIZED GAINS/LOSSES (NET) B 47

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
REALIZED GAINS				
Available-for-sale investments				
Equity securities	547	425	1,144	1,388
Debt securities	596	500	1,133	955
Subtotal	**1,143**	**925**	**2,277**	**2,343**
Investments in associates and joint ventures[1]	2	1	39	2
Real estate held for investment	29	46	78	61
Loans and advances to banks and customers	140	474	186	606
Non-current assets classified as held for sale	–	–	12	8
Subtotal	**1,314**	**1,446**	**2,592**	**3,020**
REALIZED LOSSES				
Available-for-sale investments				
Equity securities	(34)	(74)	(90)	(128)
Debt securities	(86)	(258)	(154)	(587)
Subtotal	**(120)**	**(332)**	**(244)**	**(715)**
Investments in associates and joint ventures[2]	–	–	(3)	–
Real estate held for investment	(1)	–	(3)	(1)
Loans and advances to banks and customers	(2)	1	(2)	(1)
Non-current assets classified as held for sale	–	–	(3)	–
Subtotal	**(123)**	**(331)**	**(255)**	**(717)**
Total	**1,191**	**1,115**	**2,337**	**2,303**

1 — For the three and the six months ended 30 June 2013, includes realized gains from the disposal of subsidiaries and businesses of €2 MN (2012: €– MN) and €39 MN (2012: €– MN), respectively.

2 — For the three and the six months ended 30 June 2013, includes realized losses from the disposal of subsidiaries of €– MN (2012: €– MN) and €3 MN (2012: €– MN), respectively.

25 — Fee and commission income

FEE AND COMMISSION INCOME B 48

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
PROPERTY-CASUALTY				
Fees from credit and assistance business	196	174	379	363
Service agreements	111	117	218	218
Subtotal	**307**	**291**	**597**	**581**
LIFE/HEALTH				
Service agreements	21	18	39	37
Investment advisory	147	113	269	221
Subtotal	**168**	**131**	**308**	**258**
ASSET MANAGEMENT				
Management fees	1,895	1,578	3,698	3,085
Loading and exit fees	194	161	374	265
Performance fees	78	55	354	99
Other	12	31	39	68
Subtotal	**2,179**	**1,825**	**4,465**	**3,517**
CORPORATE AND OTHER				
Service agreements	12	19	25	32
Investment advisory and banking activities	163	142	318	291
Subtotal	**175**	**161**	**343**	**323**
CONSOLIDATION	(150)	(123)	(280)	(249)
Total	**2,679**	**2,285**	**5,433**	**4,430**

26 — Other income

OTHER INCOME B 49

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Realized gains from disposals of real estate held for own use	2	7	17	14
Income from alternative investments	39	46	81	88
Other	1	5	4	7
Total	**42**	**58**	**102**	**109**

27 — Income and expenses from fully consolidated private equity investments

INCOME AND EXPENSES FROM FULLY CONSOLIDATED PRIVATE EQUITY INVESTMENTS — B 50

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Income				
Sales and service revenues	184	198	362	393
Other operating revenues	–	–	–	–
Interest income	–	–	–	–
Subtotal	**184**	**198**	**362**	**393**
Expenses				
Cost of goods sold	(54)	(64)	(109)	(126)
Commissions	–	–	–	–
General and administrative expenses	(128)	(128)	(250)	(258)
Other operating expenses	–	–	–	–
Interest expenses	(9)	(7)	(17)	(22)
Subtotal[1]	**(191)**	**(199)**	**(376)**	**(406)**
Total[1]	**(7)**	**(1)**	**(14)**	**(13)**

1 — The presented subtotal for expenses and total income and expenses from fully consolidated private equity investments for the three and the six months ended 30 June 2013 differs from the amounts presented in the "Consolidated Income Statements" and in "Total revenues and reconciliation of Operating profit (loss) to Net income (loss)". This difference is due to a consolidation effect of €3 MN (2012: €(46) MN) and €6 MN (2012: €(40) MN) for the three and six months ended 30 June 2013, respectively. This consolidation effect results from the deferred policyholder participation, recognized on the result from fully consolidated private equity investments within operating profit in the business segment Life/Health, that was reclassified into expenses from fully consolidated private equity investments in non-operating profit to ensure a consistent presentation of the Allianz Group's operating profit.

28 — Claims and insurance benefits incurred (net)

CLAIMS AND INSURANCE BENEFITS INCURRED (NET) B 51

€ MN three months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Gross				
Claims and insurance benefits paid	(7,474)	(4,948)	5	(12,417)
Change in reserves for loss and loss adjustment expenses	(329)	(132)	1	(460)
Subtotal	**(7,803)**	**(5,080)**	**6**	**(12,877)**
Ceded				
Claims and insurance benefits paid	474	93	(3)	564
Change in reserves for loss and loss adjustment expenses	345	(3)	(1)	341
Subtotal	**819**	**90**	**(4)**	**905**
Net				
Claims and insurance benefits paid	(7,000)	(4,855)	2	(11,853)
Change in reserves for loss and loss adjustment expenses	16	(135)	–	(119)
Total	**(6,984)**	**(4,990)**	**2**	**(11,972)**
2012				
Gross				
Claims and insurance benefits paid	(7,103)	(4,561)	12	(11,652)
Change in reserves for loss and loss adjustment expenses	(467)	(164)	1	(630)
Subtotal	**(7,570)**	**(4,725)**	**13**	**(12,282)**
Ceded				
Claims and insurance benefits paid	479	130	(12)	597
Change in reserves for loss and loss adjustment expenses	(28)	25	(1)	(4)
Subtotal	**451**	**155**	**(13)**	**593**
Net				
Claims and insurance benefits paid	(6,624)	(4,431)	–	(11,055)
Change in reserves for loss and loss adjustment expenses	(495)	(139)	–	(634)
Total	**(7,119)**	**(4,570)**	**–**	**(11,689)**

28 — Claims and insurance benefits incurred (net) (continued)

CLAIMS AND INSURANCE BENEFITS INCURRED (NET) (CONTINUED) B 52

€ MN six months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Gross				
Claims and insurance benefits paid	(15,624)	(9,998)	14	(25,608)
Change in reserves for loss and loss adjustment expenses	603	(54)	–	549
Subtotal	**(15,021)**	**(10,052)**	**14**	**(25,059)**
Ceded				
Claims and insurance benefits paid	1,135	252	(11)	1,376
Change in reserves for loss and loss adjustment expenses	89	(16)	–	73
Subtotal	**1,224**	**236**	**(11)**	**1,449**
Net				
Claims and insurance benefits paid	(14,489)	(9,746)	3	(24,232)
Change in reserves for loss and loss adjustment expenses	692	(70)	–	622
Total	**(13,797)**	**(9,816)**	**3**	**(23,610)**
2012				
Gross				
Claims and insurance benefits paid	(14,384)	(9,689)	16	(24,057)
Change in reserves for loss and loss adjustment expenses	(557)	(279)	2	(834)
Subtotal	**(14,941)**	**(9,968)**	**18**	**(24,891)**
Ceded				
Claims and insurance benefits paid	1,040	237	(16)	1,261
Change in reserves for loss and loss adjustment expenses	(100)	52	(2)	(50)
Subtotal	**940**	**289**	**(18)**	**1,211**
Net				
Claims and insurance benefits paid	(13,344)	(9,452)	–	(22,796)
Change in reserves for loss and loss adjustment expenses	(657)	(227)	–	(884)
Total	**(14,001)**	**(9,679)**	**–**	**(23,680)**

29 — Change in reserves for insurance and investment contracts (net)

CHANGE IN RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS (NET) B 53

€ MN three months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Gross				
Aggregate policy reserves	(62)	(1,805)	(1)	(1,868)
Other insurance reserves	(1)	(7)	–	(8)
Expenses for premium refunds	(37)	(1,178)	(42)	(1,257)
Subtotal	**(100)**	**(2,990)**	**(43)**	**(3,133)**
Ceded				
Aggregate policy reserves	1	59	(1)	59
Other insurance reserves	–	1	–	1
Expenses for premium refunds	–	2	–	2
Subtotal	**1**	**62**	**(1)**	**62**
Net				
Aggregate policy reserves	(61)	(1,746)	(2)	(1,809)
Other insurance reserves	(1)	(6)	–	(7)
Expenses for premium refunds	(37)	(1,176)	(42)	(1,255)
Total	**(99)**	**(2,928)**	**(44)**	**(3,071)**
2012				
Gross				
Aggregate policy reserves	(51)	(1,836)	–	(1,887)
Other insurance reserves	–	(27)	–	(27)
Expenses for premium refunds	(25)	(1,679)	42	(1,662)
Subtotal	**(76)**	**(3,542)**	**42**	**(3,576)**
Ceded				
Aggregate policy reserves	–	26	–	26
Other insurance reserves	–	2	–	2
Expenses for premium refunds	–	(3)	–	(3)
Subtotal	**–**	**25**	**–**	**25**
Net				
Aggregate policy reserves	(51)	(1,810)	–	(1,861)
Other insurance reserves	–	(25)	–	(25)
Expenses for premium refunds	(25)	(1,682)	42	(1,665)
Total	**(76)**	**(3,517)**	**42**	**(3,551)**

29 — Change in reserves for insurance and investment contracts (net) (continued)

CHANGE IN RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS (NET) (CONTINUED) B 54

€ MN six months ended 30 June	Property-Casualty	Life/Health	Consolidation	Group
2013				
Gross				
Aggregate policy reserves	(111)	(3,831)	(1)	(3,943)
Other insurance reserves	(2)	(51)	–	(53)
Expenses for premium refunds	(100)	(3,096)	(27)	(3,223)
Subtotal	**(213)**	**(6,978)**	**(28)**	**(7,219)**
Ceded				
Aggregate policy reserves	2	41	(1)	42
Other insurance reserves	(1)	4	–	3
Expenses for premium refunds	–	4	–	4
Subtotal	**1**	**49**	**(1)**	**49**
Net				
Aggregate policy reserves	(109)	(3,790)	(2)	(3,901)
Other insurance reserves	(3)	(47)	–	(50)
Expenses for premium refunds	(100)	(3,092)	(27)	(3,219)
Total	**(212)**	**(6,929)**	**(29)**	**(7,170)**
2012				
Gross				
Aggregate policy reserves	(105)	(3,877)	–	(3,982)
Other insurance reserves	–	(61)	–	(61)
Expenses for premium refunds	(51)	(3,343)	29	(3,365)
Subtotal	**(156)**	**(7,281)**	**29**	**(7,408)**
Ceded				
Aggregate policy reserves	–	50	–	50
Other insurance reserves	–	3	–	3
Expenses for premium refunds	–	(3)	–	(3)
Subtotal	**–**	**50**	**–**	**50**
Net				
Aggregate policy reserves	(105)	(3,827)	–	(3,932)
Other insurance reserves	–	(58)	–	(58)
Expenses for premium refunds	(51)	(3,346)	29	(3,368)
Total	**(156)**	**(7,231)**	**29**	**(7,358)**

30 — Interest expenses

INTEREST EXPENSES B 55

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Liabilities to banks and customers	(66)	(85)	(134)	(178)
Deposits retained on reinsurance ceded	(11)	(11)	(23)	(24)
Certificated liabilities	(68)	(89)	(136)	(170)
Participation certificates and subordinated liabilities	(169)	(164)	(344)	(337)
Other	(21)	(19)	(49)	(41)
Total	**(335)**	**(368)**	**(686)**	**(750)**

31 — Loan loss provisions

LOAN LOSS PROVISIONS B 56

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Additions to allowances including direct impairments	(32)	(58)	(80)	(121)
Amounts released	11	9	39	21
Recoveries on loans previously impaired	6	7	12	12
Total	**(15)**	**(42)**	**(29)**	**(88)**

32 — Impairments of investments (net)

IMPAIRMENTS OF INVESTMENTS (NET) B 57

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
IMPAIRMENTS				
Available-for-sale investments				
Equity securities	(145)	(410)	(259)	(619)
Debt securities	(21)	(10)	(25)	(13)
Subtotal	**(166)**	**(420)**	**(284)**	**(632)**
Investments in associates and joint ventures	–	(1)	–	(1)
Real estate held for investment	(10)	(2)	(22)	(2)
Loans and advances to banks and customers	(8)	(1)	(12)	(3)
Subtotal	**(184)**	**(424)**	**(318)**	**(638)**
REVERSALS OF IMPAIRMENTS				
Available-for-sale investments				
Debt securities	2	–	2	15
Loans and advances to banks and customers	–	2	–	13
Subtotal	**2**	**2**	**2**	**28**
Total	**(182)**	**(422)**	**(316)**	**(610)**

33 — Investment expenses

INVESTMENT EXPENSES B 58

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Investment management expenses	(129)	(128)	(257)	(251)
Depreciation of real estate held for investment	(51)	(47)	(101)	(91)
Other expenses from real estate held for investment	(37)	(41)	(67)	(71)
Total	**(217)**	**(216)**	**(425)**	**(413)**

34 — Acquisition and administrative expenses (net)

ACQUISITION AND ADMINISTRATIVE EXPENSES (NET) B 59

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
PROPERTY-CASUALTY				
Acquisition costs				
Incurred	(2,361)	(2,246)	(5,073)	(4,802)
Commissions and profit received on reinsurance business ceded	112	118	220	217
Deferrals of acquisition costs	1,392	1,339	3,143	3,055
Amortization of deferred acquisition costs	(1,434)	(1,382)	(2,770)	(2,727)
Subtotal	**(2,291)**	**(2,171)**	**(4,480)**	**(4,257)**
Administrative expenses	(685)	(691)	(1,405)	(1,417)
Subtotal	**(2,976)**	**(2,862)**	**(5,885)**	**(5,674)**
LIFE/HEALTH				
Acquisition costs				
Incurred	(1,135)	(1,085)	(2,256)	(2,233)
Commissions and profit received on reinsurance business ceded	4	31	29	54
Deferrals of acquisition costs	732	705	1,468	1,440
Amortization of deferred acquisition costs	(719)	(564)	(1,276)	(1,349)
Subtotal	**(1,118)**	**(913)**	**(2,035)**	**(2,088)**
Administrative expenses	(360)	(340)	(691)	(686)
Subtotal	**(1,478)**	**(1,253)**	**(2,726)**	**(2,774)**
ASSET MANAGEMENT				
Personnel expenses	(651)	(548)	(1,360)	(1,090)
Non-personnel expenses	(374)	(321)	(698)	(616)
Subtotal	**(1,025)**	**(869)**	**(2,058)**	**(1,706)**
CORPORATE AND OTHER				
Administrative expenses	(338)	(274)	(641)	(575)
Subtotal	**(338)**	**(274)**	**(641)**	**(575)**
CONSOLIDATION	15	11	19	28
Total	**(5,802)**	**(5,247)**	**(11,291)**	**(10,701)**

35 — Fee and commission expenses

FEE AND COMMISSION EXPENSES B 60

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
PROPERTY-CASUALTY				
Fees from credit and assistance business	(193)	(161)	(372)	(350)
Service agreements	(79)	(103)	(175)	(190)
Investment advisory	(1)	–	(1)	–
Subtotal	**(273)**	**(264)**	**(548)**	**(540)**
LIFE/HEALTH				
Service agreements	(15)	(8)	(27)	(25)
Investment advisory	(59)	(47)	(103)	(93)
Subtotal	**(74)**	**(55)**	**(130)**	**(118)**
ASSET MANAGEMENT				
Commissions	(349)	(318)	(725)	(592)
Other	(21)	(13)	(34)	(16)
Subtotal	**(370)**	**(331)**	**(759)**	**(608)**
CORPORATE AND OTHER				
Service agreements	(57)	(20)	(109)	(82)
Investment advisory and banking activities	(74)	(62)	(134)	(125)
Subtotal	**(131)**	**(82)**	**(243)**	**(207)**
CONSOLIDATION	60	46	114	103
Total	**(788)**	**(686)**	**(1,566)**	**(1,370)**

36 — Other expenses

OTHER EXPENSES B 61

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Realized losses from disposals of real estate held for own use	(1)	(1)	(1)	(1)
Expenses from alternative investments	(23)	(23)	(44)	(42)
Other	16	(1)	(9)	(1)
Total	**(8)**	**(25)**	**(54)**	**(44)**

37 — Income taxes

INCOME TAXES B 62

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Current income taxes	(678)	(512)	(1,468)	(1,572)
Deferred income taxes	(146)	(249)	(233)	17
Total	**(824)**	**(761)**	**(1,701)**	**(1,555)**

For the three and six months ended 30 June 2013 and 2012, the income taxes relating to components of other comprehensive income consist of the following:

INCOME TAXES RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME B 63

€ MN	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Items that may be reclassified to profit and loss in future periods				
Foreign currency translation adjustments	12	–	23	(2)
Available-for-sale investments	1,187	(47)	1,432	(897)
Cash flow hedges	8	(6)	7	(11)
Share of other comprehensive income of associates	4	(2)	4	(1)
Miscellaneous	29	8	132	17
Items that may never be reclassified to profit and loss				
Actuarial gains (losses) on defined benefit plans	(13)	(9)	1	101
Total	**1,227**	**(56)**	**1,599**	**(793)**

OTHER INFORMATION

38 — Fair value measurement

The Allianz Group carries certain financial instruments at fair value and discloses the fair value of most other assets and liabilities. The fair value of an asset or liability is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The degree of judgment used in measuring the fair value of financial instruments closely correlates with the level of non-market observable inputs. The Allianz Group maximizes the use of observable inputs and minimizes the use of non-market observable inputs when measuring fair value. Observability of input parameters is influenced by various factors such as the type of the financial instrument, whether a market is established for the particular instrument, specific transaction characteristics, liquidity as well as general market conditions.

If the fair value cannot be measured reliably, amortized cost is used as a proxy for determining fair values. As of 30 June 2013, fair values could not be reliably measured for equity investments with carrying amounts totaling €205 MN (31 December 2012: €223 MN). These investments are primarily investments in privately held corporations and partnerships.

FAIR VALUE HIERARCHY

Assets and liabilities measured or disclosed at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS 13, which consists of three levels based on the observability of inputs within the corresponding valuation techniques used.

In general, the subsidiaries assume responsibility for assessing fair values of assets and liabilities. This is consistent with the decentralized organizational structure and reflects market insights of local managers. Estimates and assumptions are particularly significant when determining the fair value of financial instruments for which at least one significant input is not based on observable market data (classified within level 3 of the fair value hierarchy).

The availability of market information is determined by the relative trading levels of identical or similar instruments in the market, with emphasis placed on information that represents actual market activity or binding quotations from brokers or dealers. If no sufficient market information is available, management's best estimate of a particular input is used to determine the value.

Active markets – Quoted market price – Fair value level 1:

The fair values of financial instruments that are traded in active markets are based on quoted market prices or dealer price quotations on the last exchange trading day prior to or at the balance sheet date, if the latter is a trading day.

No active markets – Valuation techniques – Fair value level 2:

If the market for a financial instrument is not active, the fair value is determined by using valuation techniques. The valuation techniques used are mainly based on market observable inputs. Such market inputs include references to formerly quoted prices for identical instruments from an active market, quoted prices for identical instruments from an inactive market, quoted prices for similar instruments from active markets and quoted prices for similar instruments from inactive markets. Market observable inputs also include interest rate yield curves, volatilities and foreign currency exchange rates.

No active markets – Valuation techniques – Fair value level 3:

Where observable market inputs are not available, the fair value is based on valuation techniques using non-market observable inputs. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which observable market prices exist and other valuation models. Appropriate adjustments are made for credit risks. In particular, when observable market inputs are not available, the use of estimates and assumptions may have a high impact on the valuation outcome.

FAIR VALUE MEASUREMENT ON A RECURRING BASIS

The following financial assets and liabilities are carried at fair value on a recurring basis:

- Financial assets and liabilities held for trading
- Financial assets and liabilities designated at fair value through income
- Available-for-sale investments
- Financial assets and liabilities for unit-linked contracts
- Derivative financial instruments and firm commitments included in other assets and other liabilities
- Financial liabilities for puttable equity instruments.

The following tables present the fair value hierarchy for financial instruments carried at fair value in the consolidated balance sheets as of 30 June 2013 and 31 December 2012.

FAIR VALUE HIERARCHY AS OF 30 JUNE 2013 (ITEMS CARRIED AT FAIR VALUE) B 64

€ MN	Level 1 – Quoted prices in active markets	Level 2 – Market observable inputs	Level 3 – Non-market observable inputs	Total fair value
FINANCIAL ASSETS				
Financial assets carried at fair value through income				
Financial assets held for trading				
Debt securities	102	236	–	338
Equity securities	29	93	–	122
Derivative financial instruments	148	983	113	1,244
Subtotal	**279**	**1,312**	**113**	**1,704**
Financial assets designated at fair value through income				
Debt securities	1,655	405	22	2,082
Equity securities	1,966	–	258	2,224
Subtotal	**3,621**	**405**	**280**	**4,306**
Subtotal	**3,900**	**1,717**	**393**	**6,010**
Available-for-sale investments				
Equity securities	20,416	1,398	5,203	27,017
Government and agency mortgage-backed securities (residential and commercial)	34	3,227	–	3,261
Corporate mortgage-backed securities (residential and commercial)	71	11,660	34	11,765
Other asset-backed securities	241	2,415	223	2,879
Government and government agency bonds	135,373	20,971	57	156,401
Corporate bonds	42,387	131,332	3,144	176,863
Other debt securities	1,255	896	486	2,637
Subtotal	**199,777**	**171,899**	**9,147**	**380,823**
Financial assets for unit-linked contracts	72,627	2,558	183	75,368
Derivative financial instruments and firm commitments included in other assets	5	109	–	114
Total	**276,309**	**176,283**	**9,723**	**462,315**
FINANCIAL LIABILITIES				
Financial liabilities held for trading				
Derivative financial instruments	56	1,241	4,536	5,833
Other trading liabilities	–	3	–	3
Subtotal	**56**	**1,244**	**4,536**	**5,836**
Financial liabilities for unit-linked contracts	72,627	2,558	183	75,368
Derivative financial instruments and firm commitments included in other liabilities	–	198	–	198
Financial liabilities for puttable equity instruments	2,298	19	92	2,409
Total	**74,981**	**4,019**	**4,811**	**83,811**

FAIR VALUE HIERARCHY AS OF 31 DECEMBER 2012 (ITEMS CARRIED AT FAIR VALUE) B 65

€ MN

	Level 1 – Quoted prices in active markets	Level 2 – Market observable inputs	Level 3 – Non-market observable inputs	Total fair value
FINANCIAL ASSETS				
Financial assets carried at fair value through income				
Financial assets held for trading				
Debt securities	102	226	–	328
Equity securities	69	84	–	153
Derivative financial instruments	36	1,670	159	1,865
Subtotal	**207**	**1,980**	**159**	**2,346**
Financial assets designated at fair value through income				
Debt securities	1,945	404	–	2,349
Equity securities	2,355	–	233	2,588
Subtotal	**4,300**	**404**	**233**	**4,937**
Subtotal	**4,507**	**2,384**	**392**	**7,283**
Available-for-sale investments				
Equity securities	19,933	1,291	5,263	26,487
Government and agency mortgage-backed securities (residential and commercial)	37	4,278	–	4,315
Corporate mortgage-backed securities (residential and commercial)	26	11,817	30	11,873
Other asset-backed securities	80	2,465	236	2,781
Government and government agency bonds	138,690	21,915	38	160,643
Corporate bonds	33,512	137,705	3,121	174,338
Other debt securities	1,390	960	467	2,817
Subtotal	**193,668**	**180,431**	**9,155**	**383,254**
Financial assets for unit-linked contracts	68,508	2,504	185	71,197
Derivative financial instruments and firm commitments included in other assets	–	129	–	129
Total	**266,683**	**185,448**	**9,732**	**461,863**
FINANCIAL LIABILITIES				
Financial liabilities held for trading				
Derivative financial instruments	58	756	4,581	5,395
Other trading liabilities	–	2	–	2
Subtotal	**58**	**758**	**4,581**	**5,397**
Financial liabilities for unit-linked contracts	68,508	2,504	185	71,197
Derivative financial instruments and firm commitments included in other liabilities	–	462	–	462
Financial liabilities for puttable equity instruments	2,495	26	80	2,601
Total	**71,061**	**3,750**	**4,846**	**79,657**

Valuation methodologies of financial instruments carried at fair value

The Allianz Group uses valuation techniques consistent with one or more of the three widely used classes of valuation techniques listed in IFRS 13 to measure fair value:

- Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

- Cost approach: Amount that would be currently required to replace the service capacity of an asset (replacement cost).

- Income approach: Conversion of future amounts such as cash flows or income to a single current (i.e. discounted) amount.

There is no one-to-one connection between valuation technique and hierarchy level. The hierarchy level is defined via the significance of non-market observable inputs for these valuation techniques.

Financial assets and liabilities carried at fair value through income

Financial assets held for trading – Debt and equity securities

The fair value is mainly determined using the market approach. In some cases, the fair value is determined based on the income approach using interest rates and yield curves observable at commonly quoted intervals.

Financial assets held for trading – Derivative financial instruments

For level 2, the fair value is mainly determined based on the income approach using deterministic or stochastic discounted cash flow models. Primary inputs to the valuation include volatilities, interest rates, yield curves, credit spreads, dividend estimates and foreign exchange rates observable at commonly quoted intervals.

For level 3, derivatives are mainly priced by third-party vendors. Controls are in place to monitor the valuations of these derivatives. Valuations are mainly derived based on the income approach.

Financial assets designated at fair value through income – Debt securities

The fair value is determined using the market approach.

Financial assets designated at fair value through income – Equity securities

For level 2, the fair value is determined using the market approach. For level 3, equity securities mainly represent private equity funds. The fair value is in most cases derived from the net asset value based on the valuation of the underlying portfolio companies as provided by third-party vendors. The fair value of the underlying companies is mainly determined using multiple approaches.

Available-for-sale investments

Available-for-sale investments – Equity securities

For level 2, the fair value is mainly determined using the market approach. For certain private equity investments, the funds are priced based on transaction prices using the cost approach. As there are only few holders of these funds, the market is not liquid and transactions are only known to participants. For level 3, the fair value is mainly determined using net asset values. The net asset values are based on the fair value measurement of the underlying investments and are mainly provided by fund managers. For certain level 3 equity securities, the invested capital is considered to be a reasonable proxy for the fair value.

Available-for-sale investments – Debt securities

Debt securities include

- Government and agency mortgage-backed securities (residential and commercial),
- Corporate mortgage-backed securities (residential and commercial),
- Other asset-backed securities,
- Government and government agency bonds,
- Corporate bonds and
- Other debt securities.

The valuation techniques for these debt securities are similar. For level 2 and level 3, the fair value is determined using the market and the income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method where either the cash flow or the discount curve is adjusted to reflect credit risk and liquidity risk. Depending on the observability of these risk parameters in the market, the security is classified in level 2 or level 3.

Financial assets for unit-linked contracts

For level 2, the fair value is determined using the market or the income approach. For the income approach, primary observable inputs include yield curves observable at commonly quoted intervals. For level 3, the fair value is determined based on the net asset value provided by third-party vendors.

For financial liabilities for unit-linked contracts the same valuation techniques apply as for financial assets for unit-linked contracts.

Derivative financial instruments and firm commitments included in other assets

The fair value of the derivatives is mainly determined based on the income approach using present value techniques. Primary inputs include yield curves observable at commonly quoted intervals. The derivatives are mainly used for hedging purposes. Certain derivatives are priced by Bloomberg functions, such as Black-Scholes Option Pricing or the swap manager tool.

Financial liabilities held for trading – Derivative financial instruments

For level 2, the fair value is mainly determined using the market approach or the income approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes model. Main observable input parameters include implied volatilities, yield curves observable at commonly quoted intervals and credit spreads observable in the market. For level 3, the fair value is mainly determined based on the income approach using deterministic discounted cash flow models. A significant proportion of derivative liabilities represent derivatives embedded in certain life and annuity contracts. Significant non-market observable input parameters include mortality rates and surrender rates.

Financial liabilities held for trading – Other trading liabilities

The fair value is mainly determined based on the income approach using present value techniques. Primary inputs comprise swap curves, share prices and dividend estimates.

Derivative financial instruments and firm commitments included in other liabilities

For level 2, the fair value is mainly determined using the income approach. Primary inputs include interest rates and credit spreads observable at commonly quoted intervals.

Financial liabilities for puttable equity instruments

Financial liabilities for puttable equity instruments are generally required to be recorded at the redemption amount with changes recognized in income. For level 2, the fair value is mainly determined based on the income approach using present value techniques.

Significant transfers of financial instruments carried at fair value

In general, financial assets and liabilities are transferred from level 1 to level 2 when liquidity, trade frequency and activity are no longer indicative of an active market. Conversely, the same policy applies for transfers from level 2 to level 1.

Certain available-for-sale government and government agency bonds in the amount of €0.1 BN as well as corporate bonds in the amount of €1.7 BN were transferred from level 1 to level 2 during the six months ended 30 June 2013.

Additionally, available-for-sale government and government agency bonds in the amount of €0.7 BN as well as certain corporate bonds in the amount of €3.7 BN were transferred from level 2 to level 1 during the six months ended 30 June 2013.

There were no significant transfers into or out of level 3 during the six months ended 30 June 2013.

Significant level 3 portfolios – Narrative description and sensitivity analysis

Available-for-sale investments – Equity securities

Equity securities within available-for-sale investments classified as level 3 mainly comprise private equity fund investments as well as alternative investments of the Allianz Group and are in most cases delivered as net asset values by the fund managers (€4.6 BN). The net asset values are calculated using material non-public information about the respective private equity companies. The Allianz Group has only limited insight into the specific inputs used by the fund managers and hence a narrative sensitivity analysis is not applicable. The fund asset manager generally prices the underlying single portfolio companies in line with the International Private Equity and Venture Capital Valuation (IPEV) guidelines using discounted cash flow (income approach) or multiple approaches (market approach). For certain investments, the invested capital is considered to be a reasonable proxy for the fair value. In these cases, sensitivity analyses are also not applicable.

Available-for-sale investments – Corporate bonds

Corporate bonds within available-for-sale investments classified as level 3 are mainly priced based on the market approach using matrix pricing (€2.8 BN). The primary non-market observable input used in the matrix pricing model is a yield taken from a benchmark security. A significant yield increase of the benchmark securities in isolation could result in a decreased fair value, while a significant yield decrease could result in an increased fair value. A 10% stress of the main non-market observable inputs only has an immaterial impact on fair value.

Financial liabilities held for trading

Financial liabilities held for trading mainly include embedded derivative financial instruments relating to annuity products that are priced internally using discounted cash flow models (€4.5 BN). A significant increase (decrease) in the utilization of annuitization benefits could result in a higher (lower) fair value. A significant decrease (increase) in mortality rates, surrender rates, or utilization of lifetime income benefits could result in a higher (lower) fair value. However, a 10% stress of the main non-market observable inputs only has an immaterial impact on fair value.

Quantification of significant non-market observable inputs

The following table shows the quantitative description of valuation technique(s) and input(s) used for the level 3 portfolios described above.

QUANTITATIVE DESCRIPTION OF VALUATION TECHNIQUE(S) AND NON-MARKET OBSERVABLE INPUT(S) USED B 66

€ MN

Description	Fair value as of 30 June 2013	Valuation technique(s)	Non-market observable input(s)	Range
Available-for-sale investments				
Equity securities	4,610	Net asset value	n/a	n/a
Corporate bonds	2,833	Matrix pricing	Credit spread	(225) BPS – 431 BPS
Financial liabilities held for trading				
Derivative financial instruments	4,458			
Fixed indexed annuities	3,915	Present value of insurance cash flow	Annuitizations	0% – 25%
			Surrenders	0% – 25%
			Mortality	0% – 100%
			Withdrawal benefit election	0% – 50%
			Volatility	n/a
			Non-performance risk	n/a
Variable annuities	543	Deterministic discounted cash flow	Surrenders	0.5% – 35%
			Mortality	0% – 100%

Reconciliation of level 3 financial instruments

The following tables show a reconciliation of the financial instruments carried at fair value and classified as level 3.

RECONCILIATION OF LEVEL 3 FINANCIAL ASSETS

€ MN

	Carrying value (fair value) as of 1 January 2013	Additions through purchases and issues	Net transfers into (out of) level 3	Disposals through sales and settlements
FINANCIAL ASSETS				
Financial assets carried at fair value through income				
Financial assets held for trading				
Derivative financial instruments	159	13	–	(384)
Subtotal	**159**	**13**	**–**	**(384)**
Financial assets designated at fair value through income				
Debt securities	–	1	–	–
Equity securities	233	12	80	(81)
Subtotal	**233**	**13**	**80**	**(81)**
Available-for-sale investments				
Equity securities	5,263	424	(81)	(318)
Corporate mortgage-backed securities (residential and commercial)	30	2	1	(2)
Other asset-backed securities	236	–	(1)	(29)
Government and government agency bonds	38	25	–	(3)
Corporate bonds	3,121	237	–	(76)
Other debt securities	467	28	4	(4)
Subtotal	**9,155**	**716**	**(77)**	**(432)**
Financial assets for unit-linked contracts	185	2	14	(17)
Total financial assets at fair value	**9,732**	**744**	**17**	**(914)**

RECONCILIATION OF LEVEL 3 FINANCIAL LIABILITIES

€ MN

	Carrying value (fair value) as of 1 January 2013	Additions through purchases and issues	Net transfers into (out of) level 3	Disposals through sales and settlements
FINANCIAL LIABILITIES				
Financial liabilities held for trading				
Derivative financial instruments	4,581	479	–	(370)
Financial liabilities for unit-linked contracts	185	2	14	(17)
Financial liabilities for puttable equity instruments	80	–	–	–
Total financial liabilities at fair value	**4,846**	**481**	**14**	**(387)**

B 67

Net gains (losses) recognized in consolidated income statement	Net gains (losses) recognized in other comprehensive income	Impairments	Foreign currency translation adjustments	Changes in the consolidated subsidiaries of the Allianz Group	Carrying value (fair value) as of 30 June 2013	Net gains (losses) in profit and loss attributable to a change in unrealized gains or losses for financial assets held at the reporting date
326	–	–	(1)	–	113	11
326	**–**	**–**	**(1)**	**–**	**113**	**11**
–	–	–	–	21	22	–
14	–	–	–	–	258	–
14	**–**	**–**	**–**	**21**	**280**	**–**
(48)	53	(52)	(47)	9	5,203	–
1	2	–	–	–	34	–
4	12	(1)	2	–	223	–
–	(3)	–	–	–	57	–
(2)	(176)	–	40	–	3,144	–
-	2	(5)	-	(6)	486	–
(45)	**(110)**	**(58)**	**(5)**	**3**	**9,147**	**–**
–	–	(1)	–	–	183	–
295	**(110)**	**(59)**	**(6)**	**24**	**9,723**	**11**

B 68

Net losses (gains) recognized in consolidated income statement	Net losses (gains) recognized in other comprehensive income	Impairments	Foreign currency translation adjustments	Changes in the consolidated subsidiaries of the Allianz Group	Carrying value (fair value) as of 30 June 2013	Net losses (gains) in profit and loss attributable to a change in unrealized gains or losses for financial liabilities held at the reporting date
(216)	–	–	62	–	4,536	208
–	–	(1)	–	–	183	–
(1)	9	–	–	4	92	–
(217)	**9**	**(1)**	**62**	**4**	**4,811**	**208**

FAIR VALUE MEASUREMENT ON A NON-RECURRING BASIS

Certain financial assets are measured at fair value on a non-recurring basis when events or changes in circumstances indicate that the carrying amount may not be recoverable.

If financial assets are measured at fair value on a non-recurring basis at the time of impairment, corresponding disclosures can be found in note 32 – Impairments of investments (net). If fair value less cost to sell is used as the measurement basis under IFRS 5, corresponding disclosures can be found in note 11 – Non-current assets classified as held for sale.

FAIR VALUE INFORMATION ABOUT FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE

FAIR VALUE HIERARCHY AS OF 30 JUNE 2013 (ITEMS NOT CARRIED AT FAIR VALUE) B 69

€ MN	Level 1 – Quoted prices in active markets	Level 2 – Market observable inputs	Level 3 – Non-market observable inputs	Total fair value
FINANCIAL ASSETS				
Held-to-maturity investments	2,208	2,410	3	4,621
Investments in associates and joint ventures	452	650	2,804	3,906
Real estate held for investment	–	–	14,540	14,540
Loans and advances to banks and customers	6,015	90,556	36,638	133,209
Real estate held for own use	–	–	3,853	3,853
Total assets	**8,675**	**93,616**	**57,838**	**160,129**
FINANCIAL LIABILITIES				
Liabilities to banks and customers	5,611	2,418	14,636	22,665
Certificated liabilities	7,107	984	723	8,814
Participation certificates and subordinated liabilities	6,491	3,882	286	10,659
Total liabilities	**19,209**	**7,284**	**15,645**	**42,138**

Held-to-maturity investments

For level 2, the fair value is mainly determined based on the income approach using deterministic discounted cash flow models. For level 3, the carrying amount (amortized cost) is considered to be a reasonable estimate for the fair value.

Investments in associates and joint ventures

For level 2, fair values are mainly derived based on the market approach using multiple approaches. For level 3, fair values are mainly based on net asset values as provided by third-party vendors. In some cases, the proportion of the equity included in the at-equity measurement (carrying amount) is considered to be a reasonable estimate of the fair value.

Real estate

Fair values are mainly determined based on the income approach. In some cases, a market approach is applied using market prices of identical or comparable assets in markets which are not active. The fair values are either calculated internally and validated by external experts or derived from expert appraisals with internal controls in place to monitor these valuations.

Loans and advances to banks and customers

For loans and advances to banks and customers, quoted market prices are not available as there are no active markets in which these instruments are traded. For level 2, the fair value for these assets is mainly derived based on the income approach using deterministic discounted cash flow models. For level 3, the carrying amount (amortized cost) is considered to be a reasonable estimate for the fair value.

Liabilities to banks and customers

For level 2, the fair value is mainly derived based on the market approach – in some cases using matrix pricing – or the income approach using future cash flows discounted with risk-specific interest rates. For level 3, fair values are determined based on the income approach using deterministic discounted cash flow models. Main non-market observable inputs include credit spreads. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate of the fair value.

Certificated liabilities, participation certificates and subordinated liabilities

The fair value is determined using quoted market prices, if available. For level 2, the fair value is mainly determined based on the income approach using deterministic discounted cash flow models. For level 3, fair values are mainly derived based on the income approach using deterministic cash flows with credit spreads as primary non-market observable inputs. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate for the fair value.

RECLASSIFICATION OF FINANCIAL ASSETS

On 31 January 2009, certain USD-denominated CDOs were reclassified from financial assets held for trading to loans and advances to banks and customers in accordance with IAS 39.

As of 31 December 2012, the carrying amount and fair value of the CDOs was € 370 MN and € 366 MN, respectively. As of 30 June 2013, the carrying amount and fair value of the CDOs was € 362 MN and € 349 MN, respectively. For the six months ended 30 June 2013, the net profit related to the CDOs was not significant.

39 — Earnings per share

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding for the period.

BASIC EARNINGS PER SHARE — B 70

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Net income attributable to shareholders used to calculate basic earnings per share	1,588	1,252	3,295	2,629
Weighted average number of common shares outstanding	453,196,657	452,510,887	453,186,268	452,536,964
Basic earnings per share (€)	**3.50**	**2.77**	**7.27**	**5.81**

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding for the period, both adjusted for the effects of potentially dilutive common shares. Potentially dilutive common shares arise from various share-based compensation plans of the Allianz Group.

DILUTED EARNINGS PER SHARE — B 71

€ MN

	three months ended 30 June		six months ended 30 June	
	2013	2012	2013	2012
Net income attributable to shareholders	1,588	1,252	3,295	2,629
Effect of potentially dilutive common shares	(17)	(14)	(36)	(4)
Net income attributable to shareholders used to calculate diluted earnings per share	**1,571**	**1,238**	**3,259**	**2,625**
Weighted average number of common shares outstanding	453,196,657	452,510,887	453,186,268	452,536,964
Potentially dilutive common shares resulting from assumed conversion of:				
Share-based compensation plans	57,240	1,897,953	479,639	1,293,091
Weighted average number of common shares outstanding after assumed conversion	**453,253,897**	**454,408,840**	**453,665,907**	**453,830,055**
Diluted earnings per share (€)	**3.47**	**2.72**	**7.18**	**5.78**

For the six months ended 30 June 2013, the weighted average number of common shares excludes 2,763,732 (2012: 2,763,036) treasury shares.

40 — Other information

NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES B 72

	as of 30 June 2013	as of 31 December 2012
Germany	40,592	40,882
Other countries	104,946	103,212
Total	**145,538**	**144,094**

CONTINGENT LIABILITIES AND COMMITMENTS

As of 30 June 2013, there were no significant changes in contingent liabilities compared to the consolidated financial statements for the year ended 31 December 2012.

As of 30 June 2013, commitments outstanding to invest in private equity funds and similar financial instruments amounted to €2,703 MN (31 December 2012: €2,507 MN) and commitments outstanding to invest in real estate and infrastructure amounted to €1,501 MN (31 December 2012: €962 MN). Other commitments – mainly referring to sponsoring – increased from €241 MN as of 31 December 2012 to €460 MN as of 30 June 2013. All other commitments showed no significant changes.

41 — Subsequent events

ALLIANZ CLOSES YAPI KREDI TRANSACTION IN TURKEY

On 12 July 2013, Allianz completed the acquisition of Yapı Kredi Sigorta. For further information on the acquisition and the related mandatory tender offer, please refer to note 3 – Consolidation.

HAILSTORM ANDREAS IN GERMANY

At the end of July 2013, hailstorm Andreas caused severe damage in some parts of Germany. As of today, the Allianz Group expects losses of approximately €200 MN.

Munich, 1 August 2013

Allianz SE
The Board of Management

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements, in accordance with generally accepted accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Munich, 1 August 2013

Allianz SE
The Board of Management

REVIEW REPORT

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of Allianz SE, Munich – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – together with the interim group management report of Allianz SE, Munich, for the period from 1 January to 30 June 2013 that are part of the semi annual financial report according to § 37 w WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed consolidated interim financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the E.U., and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We performed our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U., and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U., or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, 1 August 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Frank Ellenbürger	Dr. Frank Pfaffenzeller
Wirtschaftsprüfer	Wirtschaftsprüfer
(Independent Auditor)	(Independent Auditor)

Glossary

The accounting terms explained here are intended to help the reader understand this Interim Report. Most of these terms concern the balance sheet or the income statement. Terminology relating to particular segments has not been included.

A

ACQUISITION COST
The amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition.

AFFILIATED ENTERPRISES
The parent company of the Group and all consolidated subsidiaries. Subsidiaries are enterprises where the parent company can exercise a significant influence over their corporate strategy in accordance with the control concept. This is possible, for example, where the parent company holds, directly or indirectly, a majority of the voting rights, has the power to appoint or remove a majority of the members of the Board of Management or equivalent governing body, or where there are contractual rights of control.

AGGREGATE POLICY RESERVES
Policies in force – especially in life, health, and personal accident insurance – give rise to potential liabilities for which funds have to be set aside. The amount required is calculated actuarially.

ASSETS UNDER MANAGEMENT
The total of all investments, valued at current market value, which the Group has under management with responsibility for maintaining and improving their performance. In addition to the Group's own investments, they include investments held under management for third parties.

ASSOCIATED ENTERPRISES
All enterprises, other than affiliated enterprises or joint ventures, in which the Group has an interest of between 20% and 50%, regardless of whether a significant influence is actually exercised or not.

AT AMORTIZED COST
Under this accounting principle the difference between the acquisition cost and redemption value (of an investment) is added to or subtracted from the original cost figure over the period from acquisition to maturity and credited or charged to income over the same period.

AVAILABLE-FOR-SALE INVESTMENTS
Available-for-sale investments are securities which are neither held to maturity nor have been acquired for sale in the near term; available-for-sale investments are carried at fair value in the balance sheet.

B

BUSINESS COMBINATION
A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method.

C

CASH FLOW STATEMENT
Statement showing movements of cash and cash equivalents during an accounting period, classified by three types of activity, operating activities, investing activities, financing activities.

CERTIFICATED LIABILITIES
Certificated liabilities comprise debentures and other liabilities for which transferable certificates have been issued.

COLLATERALIZED DEBT OBLIGATION (CDO)
A way of packaging credit risk. Several classes of securities (known as tranches) are created from a portfolio of bonds and there are rules for determining how the cost of defaults are allocated to classes.

COMBINED RATIO
Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

CONTINGENT LIABILITIES
Financial obligations not shown as liabilities on the balance sheet because the probability of a liability actually being incurred is low. Example: guarantee obligations.

CORRIDOR APPROACH
With defined benefit plans, differences come about between the actuarial gains and losses which, when the corridor approach is applied, are not immediately recognized as income or expenses as they occur. Only when the cumulative actuarial gains or losses fall outside the corridor is recognition made from the following year onwards. The corridor is 10% of the present value of the pension rights accrued or of the market value of the pension fund assets, if this is higher.

COST-INCOME RATIO
Represents operating expenses divided by operating revenues.

CREDIT RISK
The risk that one party to a contract will fail to discharge its obligations and thereby cause the other party to incur financial loss.

D

DEFERRED ACQUISITION COSTS
Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies. They include commissions paid, underwriting expenses and policy issuance costs.

DEFERRED TAX ASSETS/ LIABILITIES
The calculation of deferred tax is based on tax loss carry forwards, tax credit carry forwards and temporary differences between the carrying amounts of assets or liabilities in the published balance sheet and their tax base, and on differences arising from applying uniform valuation policies for consolidation purposes. The tax rates used for the calculation are the local rates applicable in the countries of the enterprises included in the consolidation; changes to tax rates already adopted on the balance sheet date are taken into account.

DEFINED BENEFIT PLANS
For defined benefit plans, the participant is granted a defined benefit by the employer or via an external entity. In contrast to defined contribution arrangements, the future cost to the employer of a defined benefit plan is not known with certainty in advance. To determine the expense over the period, accounting regulations require that actuarial calculations are carried out according to a fixed set of rules.

DERIVATIVE FINANCIAL INSTRUMENTS
Financial contracts, the values of which move in relationship to the price of an underlying asset. Derivative financial instruments can be classified in relation to their underlying assets (e.g. interest rates, share prices, foreign currency exchange rates or prices of goods). Important examples of derivative financial instruments are options, futures, forwards and swaps.

E

EARNINGS PER SHARE (BASIC/ DILUTED)
Ratio calculated by dividing the net income for the year attributable to shareholders by the weighted average number of shares outstanding. For calculating diluted earnings per share the number of shares and the net income for the year attributable to shareholders are adjusted by the dilutive effects of any rights to subscribe for shares which have been or can still be exercised. Subscription rights arise in connection with participation certificates and share based compensation plans.

EXPENSE RATIO
Represents acquisition and administrative expenses (net) divided by premiums earned (net).

F

FAIR VALUE
The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

FAIR VALUE OPTIONS
Options valued at market value.

FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME
Financial assets carried at fair value through income include financial assets held for trading and financial assets designated at fair value through income.

FINANCIAL LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME
Financial liabilities carried at fair value through income include financial liabilities held for trading and financial liabilities designated at fair value through income.

FUNDS HELD BY/FOR OTHERS UNDER REINSURANCE CONTRACTS
Funds held by others are funds to which the reinsurer is entitled but which the ceding insurer retains as collateral for future obligations of the reinsurer. The ceding insurer shows these amounts as "funds held under reinsurance business ceded."

G

GOODWILL
Difference between the cost of acquisition and the fair value of the net assets acquired.

GROSS/NET
In insurance terminology the terms gross and net mean before and after deduction of reinsurance, respectively. In the investment terminology the term "net" is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.

H

HEDGING
The use of special financial contracts, especially derivative financial instruments, to reduce losses which may arise as a result of unfavorable movements in rates or prices.

HELD FOR SALE
A non-current asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than though continuing use. On the date a non-current asset meets the criteria as held for sale, it is measured at the lower of its carrying amount and fair value less costs to sell.

HELD-TO-MATURITY INVESTMENTS
Held-to-maturity investments comprise debt securities held with the intent and ability that they will be held-to-maturity. They are valued at amortized cost.

I

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards. Since 2002, the designation IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Already approved standards will continue to be cited as International Accounting Standards (IAS).

IFRS FRAMEWORK
The framework for International Financial Reporting Standards (IFRS) which sets out the concepts that underlie the preparation and presentation of financial statements for external users.

INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET)
Income from financial assets and liabilities carried at fair value through income (net) includes all realized and unrealized gains and losses including interest and dividend income from financial assets and financial liabilities carried at fair value through income, the income (net) from financial liabilities for puttable equity instruments and the foreign currency gains and losses (net).

ISSUED CAPITAL AND CAPITAL RESERVES
This heading comprises the capital stock, the premium received on the issue of shares, and amounts allocated when option rights are exercised.

J

JOINT VENTURE
An enterprise which is managed jointly by an enterprise in the Group and one or more enterprises not included in the consolidation. The extent of joint management control is more than the significant influence exercised over associated enterprises and less than the control exercised over affiliated enterprises.

L

LOSS RATIO
Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

M

MARKET VALUE
The amount obtainable from the sale of an investment in an active market.

N

NON-CONTROLLING INTERESTS
Those parts of the equity of affiliated enterprises which are not owned by companies in the Group.

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS
That part of net income for the year which is not attributable to the shareholders of the Allianz Group but to other third parties who hold shares in affiliated enterprises.

P

PARTICIPATING CERTIFICATES
Amount payable on redemption of participating certificates issued. The participating certificates of Allianz SE carry distribution rights based on the dividends paid, and subscription rights when the capital stock is increased; but they carry no voting rights, no rights to participate in any proceeds of liquidation, and no rights to be converted into shares.

PENSIONS AND SIMILAR OBLIGATIONS
Reserves for current and future post-employment benefits formed for the defined benefit plans of active and former employees. These also include reserves for health care benefits and processing payments.

PREMIUMS WRITTEN/EARNED
Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e. g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.

R

REINSURANCE
Where an insurer transfers part of the risk which he has assumed to another insurer.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS
A repurchase (repo) transaction involves the sale of securities by the Group to a counterparty, subject to the simultaneous agreement to repurchase these securities at a certain later date, at an agreed price. The securities concerned are retained in the Group's balance sheet for the entire lifetime of the transaction, and are valued in accordance with the accounting principles for financial assets carried at fair value through income or investment securities, respectively. The proceeds of the sale are reported in liabilities to banks or to customers, as appropriate. A reverse repo transaction involves the purchase of securities with the simultaneous obligation to sell these securities at a future date, at an agreed price. Such transactions are reported in loans and advances to banks, or loans and advances to customers, respectively. Interest income from reverse repos and interest expenses from repos are accrued evenly over the lifetime of the transactions and reported under interest and similar income or interest expenses.

RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES
Reserves for the cost of insurance claims incurred by the end of the year under review but not yet settled.

RESERVE FOR PREMIUM REFUNDS
That part of the operating surplus which will be distributed to policyholders in the future. This refund of premiums is made on the basis of statutory, contractual, or company by-law obligations, or voluntary undertaking.

RETAINED EARNINGS
In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group enterprises and amounts transferred from consolidated net income.

S

SEGMENT REPORTING
Financial information based on the consolidated financial statements, reported by business segments (Property-Casualty, Life/Health, Asset Management and Corporate and Other) as well as by reportable segments.

SUBORDINATED LIABILITIES
Liabilities which, in the event of liquidation or bankruptcy, are not settled until after all other liabilities.

U

UNEARNED PREMIUMS
Premiums written attributable to income of future years. The amount is calculated separately for each policy and for every day that the premium still has to cover.

UNRECOGNIZED GAINS/LOSSES
Amount of actuarial gains or losses, in connection with defined benefit pension plans, which are not yet recognized as income or expenses (see also "corridor approach").

US GAAP
Generally Accepted Accounting Principles in the United States of America.

V

VARIABLE ANNUITIES
The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments.

Index of Tables and Graphs

NOTES TO THE CONSOLIDATED INCOME STATEMENTS

OTHER INFORMATION

Financial calendar

Important dates for shareholders and analysts[1]

Interim Report 3Q	8 November 2013
Financial Results 2013	27 February 2014
Annual Report 2013	14 March 2014
Annual General Meeting	7 May 2014
Interim Report 1Q	14 May 2014
Interim Report 2Q	8 August 2014

1 — The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures related to quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the internet at www.allianz.com/financialcalendar.

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